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Cambridge Historical Series

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HONORARY FELLOW OF KING'S COLLEGE, CAMBRIDGE.

OUTLINES OF ENGLISH INDUSTRIAL HISTORY.

CAMBRIDGE UNIVERSITY PRESS

London: FETTER LANE, E.C.

C. F. CLAY, MANAGER



Edinburgh: 100, PRINCES STREET

Berlin: A. ASHER AND CO.

Leipzig: F. A. BROCKHAUS

New York: G. P. PUTNAM'S SONS

Bombay and Calcutta: MACMILLAN AND CO., LTD.

Toronto: J. M. DENT AND SONS, LTD.

Tokyo: THE MARUZEN-KABUSHIKI-KAISHA

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*David Baran. M.A.
1 College Row, Cambridge*
OUTLINES

OF

ENGLISH INDUSTRIAL HISTORY

BY

W. CUNNINGHAM, D.D., F.B.A.

FELLOW OF TRINITY COLLEGE, CAMBRIDGE, ARCHDEACON OF ELY.

AND

ELLEN A. MCARTHUR, LITT.D.

FORMERLY HEAD LECTURER AND DIRECTOR OF STUDIES IN HISTORY,
GIRTON COLLEGE, CAMBRIDGE.

CAMBRIDGE:
AT THE UNIVERSITY PRESS

1913

First Edition, 1895.

Revised and reprinted 1898, 1904, 1910, 1913.

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PREFACE.

THIS book, like the remainder of the series of which it is a part, is intended for the use of any persons who may be anxious to understand the nature of existing political conditions ; but it differs from the other volumes, inasmuch as it fixes attention on English rather than on European history, and sketches, from one special point of view, the course of events over a very long period of time. It has also been thought unnecessary to give any bibliography of this wide subject, as students who desire to procure further guidance will be able to obtain it from the larger work, on the *Growth of English Industry and Commerce*, published by the Cambridge University Press.

No attempt has been made to depict the condition of English industry and trade with the assistance of maps, but a chronological table has been added, based on a suggestion for which the authors are indebted to Mr Graham Wallas ; it is hoped that this may serve to give a conspectus of the subject, and to present in a

C. & M. b

graphic manner, in point of time and with some slight additions, the course of industrial development as treated in the following pages.

The book was planned before the General Editor undertook the supervision of the series, but the writers have to thank Dr Prothero cordially for many suggestions made during the course of their work.

W. C.

E. A. M.

November 1894.

PREFACE TO THE THIRD EDITION.

The whole of the sheets have been carefully revised with a view to bringing this handbook into complete accord with the last (1903) edition of the *Growth of English Industry and Commerce*. Several recent works have also been included in the bibliography which was added in the second edition.

W. C.

E. A. M.

December 1903.

NOTE.

In the present edition the text and bibliography have been revised and brought up to date as far as possible.

W. C.

E. A. M.

February 1910.

TABLE OF CONTENTS.

INTRODUCTION.

	PAGE
1. The scope of industrial history	1
2. Man and his surroundings	2
3. Social groups and individuals	3
4. Direction of change	5
5. The present and the past	5

CHAPTER I.

IMMIGRANTS TO BRITAIN.

6. The English Conquest	8
7. The Roman missionaries	9
8. The Danes and Northmen	10
9. Norman soldiers and immigrants	11
10. The consolidation of the English nation	13
11. Influx of weavers under Edward III, Elizabeth &c.	13
12. Effects on industrial life	15

CHAPTER II.

PHYSICAL CONDITIONS.

13. The relative character of natural resources	17
14. Mineral wealth. Tin, lead, coal, iron	18
15. Suitability for tillage and forestry	19
16. Pasture-farming and grazing	20
17. Fisheries and seamanship	20
18. Roads, rivers and canals	21

	PAGE
19 Water power	23
20. Insular character and royal power	23
21. Facilities for maritime commerce	25
22. Physical bases of our prosperity	25

CHAPTER III.

THE MANORS.

23. Parochial, municipal, and national life	28
24. Manorial organisation	30
25. The early history of the Manor	34
26. Manors in thirteenth century records	36
27. The officials and the villeins	37
28. Immediate effects of Black Death. Stock and land leases. Sheep-farming	41
29. The Peasants' revolt	42
30. Repression of revolt and subsequent decay of villeinage	43

CHAPTER IV.

THE TOWNS.

31. Manors and towns. Fiscal responsibility	46
32. Early England. Monastic and Danish influence in favour of town life	47
33. Domesday towns. Rural character. Conflicting jurisdiction	49
34. The struggle for chartered liberties. Inter-municipal commerce	50
35. Fiscal contributions and internal administration	52
36. Gilds merchant and weavers' gilds	54
37. Affiliation and representation. National control of com- merce	57
38. Craft-gilds, their relation to municipal authority and to gilds merchant	60
39. The rise of the livery companies	63
40. Fifteenth century difficulties between gilds, and with journey- men and apprentices	64
41. Craft-gilds under Henry VII and Henry VIII. National control of industry	66

CHAPTER V.

THE BEGINNINGS OF NATIONAL ECONOMIC LIFE.

	PAGE
42. Personal influence of the kings. Continental connexions	69
43. Regulation of foreign commerce and progress of internal development	71
44. Edward I. National unity and national institutions	73
45. Edward III. Foreign and commercial policy	74
46. Aliens in England. The staple	76
47. New developments under Richard II.	78
48. Plenty and power	79

CHAPTER VI.

THE VARIOUS SIDES OF NATIONAL ECONOMIC LIFE.

I. THE FOOD SUPPLY.

49. Migration of the rural population	82
50. Restrictions on sheep-farming	83
51. Maintenance of the high price of corn	84
52. Changed conditions of corn-growing	85
53. Scarcity and the allowance system	85
54. Excuses for and effects of the Corn Law of 1815	87
55. Political and economic results of its repeal	88

II. INDUSTRIAL LIFE.

56. Labourers' wages	89
57. Poor relief under Elizabeth	91
58. Parochial settlements (1662)	92
59. Employment for the poor	93
60. Allowances and the new Poor Law	94
61. Internal communication	95
62. Quality and price of bread and cloth	96
63. Patents and monopolies	98
64. Alien workmen. Incorporated companies	98
65. Protection	100

	PAGE
66. Economic freedom. Migration	101
67. Freedom to emigrate	102
68. Freedom to change employment	103
69. Freedom to associate	104
70. Laissez faire and philanthropic legislation	106
71. Trade Unions	108

III. COMMERCIAL DEVELOPMENT.

72. Municipal and national regulation	109
73. The perils of the sea	110
74. Commercial treaties. Trading companies	111
75. The protection of the coasts	113
76. The New World and new routes to the East	114
77. Joint-stock and regulated companies	114
78. The East India Company	117
79. The Navy and joint-stock companies	118

IV. ECONOMIC POLICY.

80. Elements of power. Shipping and treasure	120
81. Objects and effects of the early Navigation Acts	121
82. Effects on Holland, Scotland, Ireland and the colonies	122
83. Subsidiary callings. Fisheries, ship-building and naval stores	124
84. The bullionist policy for treasure	126
85. The mercantilists and the East India Company	127
86. The general and particular balance of trade	129
87. The balance of trade as a supposed criterion of the industrial prosperity of a nation	130
88. Individual interests and national prosperity	131
89. Colonial interests and national power	133
90. The West Indian colonies and Virginia	133
91. The Northern colonies. Economic dependence	134
92. Irish competition in the woollen manufacture. The Irish linen trade	135
93. Whig jealousy of Irish prosperity. Irish cattle	137
94. English and Irish protection. The Union	138

CHAPTER VII.

MONEY, CREDIT, AND FINANCE.

	PAGE
95. Barter. Money payment and competition . . .	140
96. Standard silver, and the debasement of the coinage . .	142
97. Fall in the value of silver and rise of prices . . .	144
98. Difficulty in finding or applying a standard of values for long periods	145
99. The recoinage of 1696	146
100. The gold standard	147
101. The Bank of England and bank notes	148
102. Loans, the Bank rate, and the Act of 1844	150
103. Payment in kind and by service. Arbitrary and casual taxation	153
104. Tenths and fifteenths. The Tudor subsidies . . .	155
105. Financial difficulties of the Stuarts	157
106. Parliamentary and Restoration finance	159
107. Public borrowing. The Bank	160
108. The incidence and pressure of taxation	162
109. The advantages of a money economy	165

CHAPTER VIII.

AGRICULTURE.

110. Extensive cultivation	166
111. Diminishing returns	168
112. Open fields	169
113. The two field and three field systems	172
114. The Black Death and sheep-farming	175
115. Convertible husbandry. Sixteenth century enclosing .	178
116. Capitalist pasture-farming and rents	181
117. Seventeenth century husbandry	182
118. The agricultural revolution	185
119. Decay of the ycomany	190
120. Permanent improvements	194
121. Past and future	195

CHAPTER IX.

LABOUR AND CAPITAL.

	PAGE
122. Division of labour in industry and agriculture . . .	198
123. Capital in the cloth trade, and its services to labour . . .	201
124. Capital as supplying implements	205
125. Dependence of labour on capital	206
126. Conflicting interests of capital and labour	210
127. Moral and physical degradation	214
128. The course of the industrial revolution	219
129. Machinery and the expansion of trade	226
130. The proletariat. Stability and progress	231
131. Individual and state management	235

CHAPTER X.

RESULTS OF INCREASED COMMERCIAL INTERCOURSE.

132. International rivalry and competition between nations . . .	241
133. Advantages of commercial intercourse to consumers . . .	244
134. Commercial intercourse as the solvent of social organisation	246
135. Modern complications and individual duty	251
136. Conclusion	253
CHRONOLOGICAL TABLE	256
BIBLIOGRAPHY	261
INDEX	267

OUTLINES OF ENGLISH INDUSTRIAL HISTORY.

INTRODUCTION.

I. THE industrial history of England is a large subject; it is the story of the material side of the life of a great nation. English agriculture—with its magnificent breeds of sheep, cattle and horses, ^{The scope of industrial history.} and its ingenious implements—is the most enterprising in the world. English manufacturing skill—both in textile fabrics and in hardware—has a high repute in all parts of the globe. English ships traverse the most distant oceans and do the carrying trade for many of our neighbours. Yet all these great developments have come from such very small beginnings that it is not easy to trace the gradual steps by which primitive agriculture, industry and trade have attained their present proportions.

Industrial History deals with only one aspect of our national life, but the subject is most important. Material needs cannot be neglected or forgotten with impunity in this world. However high his ideals may be, a man must have bread to eat, if he is to enjoy health and strength and be able to devote himself to intellectual and artistic pursuits. Material prosperity too is necessary for a nation, if it is to be a power among other peoples and to exercise

2 *Outlines of English Industrial History.*

a real influence in the world. Material prosperity need not be aimed at as an end in itself, and it has been and may be misused both by individuals and by nations. Still it is well worth having, because it opens up the opportunity, both to an individual and to a nation, of leading a noble and influential life. It does not, in itself, constitute greatness, but it is a condition without which national greatness is impossible. Hence the story of the material progress of England gives us a means of surveying the opportunities which Englishmen have enjoyed in the past, and are enjoying to-day, and also of realising our responsibilities as a nation.

2. , The subject is both vast and complicated. No
Man and his surroundings. part of it can be fully treated in a volume of *Outlines*, and some topics can hardly be touched on at all. It is well, therefore, to forewarn the reader at once, as to the method of treating the subject which has been adopted in the following pages. In the opening chapters (§§ 6—22) attention is called to two elements which are involved in all material progress. There is need, on the one hand, of the skill and energy of human beings, and on the other of appropriate physical conditions for the exercise of these rational powers. We must think of *man*, and also of his *environment*,—the active worker, and the things with and upon which he works. In tracing English material progress we must go back to the time when the English race was transplanted to this island, and note the different elements which have since been grafted on that stock. It is curious to observe how often and how effectively that race has been replenished with fresh blood and alien elements. (Chapter I.)

We must also turn our attention to the surroundings in which and on which this much mingled race has worked.

Climate and soil have had much to do with our agricultural development. Easy internal communications and rich mineral products have been important factors in our industrial progress, while our maritime position and the mere character of the coast-line have favoured our advance as a naval power. (Chapter II.) Human energy and material conditions have co-operated together at every step of progress, and it is by their united working that the whole result has been attained.

3. These elements have not, however, worked casually and blindly. There has been *conscious and deliberate effort* throughout the whole story. Social groups and individuals. Men have set different objects before them; sometimes an advantage that lay but a little way a-head, sometimes a far-reaching scheme. With these different aims before them, they have seriously set themselves to apply human skill to available conditions, and many of their schemes have involved combined effort, and could not be accomplished by individuals singly and alone. If we are to follow out these conscious efforts, we must try to realise the different forms of social organisation which have been employed for economic purposes in the past. To understand earlier history, and to appreciate the interest of primitive or medieval institutions which survive in our own times, we must divest ourselves of many of our ordinary habits of thought and lay aside the assumptions we usually make in the present day. Not till comparatively recent times has there been complete economic unity in England, or the possibility of a free flow of labour and capital to different parts of the country. Neither the free play of individual enterprise nor of competition was possible in primitive society, while State interference was equally unthought of, when there was no effective central government. For centuries each little village was a more or less

4 *Outlines of English Industrial History.*

isolated community which catered successfully for its own wants, and carried on infrequent and occasional intercourse with other places. In examining the history of the manors (Chapter III) we see that the ideal of the prudent man in the thirteenth century was to render his own estate self-sufficing, and thus to keep it apart from the rest of the realm. The towns, as they grew up (Chapter IV), pursued a somewhat similar policy. Under these circumstances it is difficult to say much of the condition or progress of England as a whole until the time of Richard II, when the growth of a national economic life (Chapter V) had so far advanced that we can describe it and trace its subsequent developments in different directions.

During the fourteenth and preceding centuries we have to deal chiefly with the condition and progress of different manors, or of towns, each of which was then economically distinct from the rest. From the fourteenth century onwards these local organisations have come to be of less economic importance; they have long since ceased to be more than subsidiary elements in English economic life. From the time of Richard II we can follow the gradual growth of national organisation until it exercised effective control over all the various developments of industrial life throughout the country (Chapter VI); and we can examine the aims which came to be more clearly recognised. In the time of Elizabeth, the period of transition was over. Laws and institutions were devised for the regulation of grazing and tillage, of industry and commerce, and a definite scheme of economic policy was carefully thought out and deliberately pursued. The efforts to modify and maintain it under changing circumstances eventually proved impracticable. Adam Smith showed that such efforts at regulating industry in the national interest were no longer beneficial, and during the

first half of the present century attempts of the kind were deliberately discarded.

4. The description of the types of organisation which have existed in England, and which have been superseded in turn, serves to bring out the ^{Direction of change.} economic structure of society at different periods. It is also desirable to notice the direction and the nature of the changes which have occurred in the great departments of economic life; in the use of money and in finance (Chapter VII), in agriculture (Chapter VIII), and in manufacture (Chapter IX). The subject of money and the medium of exchange comes in the forefront, and dominates the whole for a very simple reason. The general course of economic change of every kind in England may be most easily summarised by saying that the use of money and of bargaining has gradually permeated every department of life; each has been reconstituted under this influence. The changes from natural to money economy are most obviously exemplified in the affairs of state; but the increased prevalence of money bargaining has been a most powerful factor in the change from customary to competition prices; in the introduction first of capitalist pasture farming and then of capitalist tillage (Chapter VIII); and in that intervention of capital in industry which made more minute division of labour possible and led the way for the industrial revolution (Chapter IX). In the concluding chapter an attempt is made to show how this thorough-going money economy, exemplified in the freedom of commercial intercourse, has reacted on social institutions and brought into being the anxious problems of the present day.

5. The story of the past is full of varied interest, but there is one aspect in which it appeals with special force. It gives us a clue to unravel much that is strange and

6 *Outlines of English Industrial History.*

difficult in the present day. Our existing society is the
outcome of the life of preceding ages. Much

**The Present
and the Past.** of its evil, as well as much of what is best
in it, is a heritage from our forefathers.

Hence we are forced to turn to the past if we wish to understand how present conditions have arisen. We may often have to go back a long distance in time if we would trace out the factors which have combined to produce the economic *régime* under which we live. It has been a constant aim, in compiling the following pages, to explain to some extent the genesis of the present by a study of the past. The story has been carried on to a point at which some of the great problems of our own day loom into sight; and occasionally an opinion on matters in dispute has been hazarded with a view to indicating how closely the experience of the past is connected with the struggles that lie before us. Whether the future shall confirm the opinions here expressed or not, they will at least serve to illustrate the importance of trying to view our new difficulties in the light of experience drawn from bygone times. We may see how the new problems have arisen, and how similar difficulties have been met, while we may also be saved the disappointment of trying a road which has been already proved impracticable.

It may be hoped, however, that some readers will not be satisfied with these brief outlines, but will feel the fascination of trying to understand the past so strongly, as to wish to advance to a fuller knowledge of the industrial and commercial life of our forefathers. There are many books easily procurable in which they can find additional information on every one of the subjects touched upon. Professor Ashley's *Economic History* contains most interesting chapters on the Middle Ages. The *Discourse of the Common Weal*

gives a vivid picture of the transition in Tudor times, and this, as the work of a contemporary author, is of peculiar interest. Mr Rowland Prothero's *Pioneers and Progress of English Farming* and Mr and Mrs Sidney Webb's *History of Trade Unionism* deal with aspects of the recent history of rural and of manufacturing industry.

Others may perhaps wish, not so much to extend their reading on particular points as to know the grounds for the various statements made in this volume. Authorities have been rarely mentioned in these pages, because it is easy for anyone to find them by referring to the same topics as treated in the *Growth of English Industry and Commerce*. This larger book gives fuller information on many points, and will, at any rate, serve as a guide to those who are anxious to get to the solid rock, and to base their knowledge on a study of original authorities.

CHAPTER I.

IMMIGRANTS TO BRITAIN.

6. ENGLISH HISTORY may be said to begin with the invasion of the Roman province of Britain by the English Conquest. Teutonic bands about 449 A.D. The progress of the English invaders was slow; nearly one hundred and thirty years elapsed before they had cleared the Western Midlands, before, in fact, the land of the English took a definite and, to some extent, a permanent shape. The Romanised Britons, or Welsh, were confined in Wales and Cornwall or were driven back towards the northern part of the island. It is a great question how far the English conquest was complete, or how far elements of Roman civilisation survived through the period of the barbarian invasions, as was the case in some other parts of Europe. But though some few names and terms were embodied in the new speech, and some groups of inhabitants continued to exist as elements in the new social order, the evidence drawn from language, religion and law combines to show that hardly anything of Roman civilisation survived. This conclusion is confirmed by other considerations, for archaeological evidence seems to show that the towns were either deserted or destroyed. Where so much was swept away it

seems unlikely that agriculture as practised in the Roman *vills* would survive. We have no sufficient evidence that these *vills* were the direct ancestors of our English villages, or that there was continuity in rural life from the period of Roman domination to subsequent times.

On the whole it appears that the conquest of England was so far complete, that the basis of our civilisation may be said to be Teutonic. Whatever elements of an earlier civilisation were absorbed by the English invaders were very few. There were of course some. In the Forest of Dean and near the Peak of Derbyshire the old inhabitants probably continued to pursue their avocations under new masters. In many households there might be domestic slaves, who maintained some tradition of the old arts, language, and religion, but these elements appear to have been comparatively slight, and to have had little effect on the growth of the newly transplanted English stock.

The completeness of the change from the civilisation of the Roman province to the simple life of the English tribes does not, however, seem so surprising, if we remember that society in the province of Britain was much disintegrated before the English invasion began. Besides this, the conquest of the invaders was so gradual that the Romanised Britons were able to withdraw before the foe, and were thus saved from the necessity of submitting to the alternatives of slavery or death.

7. Although the English settlers seemed to absorb so little from their precursors in Britain, they did not long remain unaffected by outside influence. The British Christians, who had been ousted or driven to the West, appear to have held aloof from their conquerors; but the missionary zeal of the Columban monasteries in the North and of the Bishop of Rome himself, was soon

The Roman missionaries.

brought to bear upon the heathen English. It is one of the most striking instances of the manner in which religious and economic progress have been connected. The communication, which was opened with much searching of heart as a dangerous religious duty, came to be of the first importance for trading and other purposes. England, when converted to Christianity, though insular was no longer isolated. The monastic houses were centres of learning as well as of religion; and the legal conceptions of the later Roman Empire, introduced under ecclesiastical influence, affected the charters and wills. The frequent communication of churchmen with Rome was combined with opportunities for trade, and did something for the improvement of the arts of life. The very remains which survived from the Roman occupation of Britain were now turned to better purpose; the ruins of Roman ramparts and towns afforded building materials, while their military roads and bridges were available for internal communication. Under Christian influence the English tribes came to be more definitely organised under kingly rule, while frequent and friendly communication with more civilised neighbours became possible.

8. Very different in character was the next influence which was brought to bear upon the English.
The Danes and Northmen. They were attacked by their kinsfolk, the Danes and Northmen, and at first it appeared as if their settled life and new organisation had unfitted them to hold the land which their fathers had conquered. The Northmen came at first as plunderers to ravage. The coasts were defenceless, for Englishmen seemed to have lost their old skill in seamanship, and the Northmen were even able to sail up the rivers, and to carry on their depredations in the very heart of the country. The English rallied under

Alfred (871—901), and after a struggle peace was made with the new invaders. Nearly half the country was treated as Danelagh, since it was occupied by Danish rather than by English inhabitants, and was ruled by Danish rather than by English law.

Peace was soon followed by a practical amalgamation, and then it became apparent how much the English gained by the infusion of this new element. The English were satisfied with rural life; they were little attracted by the towns which the Romans had built, and they did not devote themselves to commercial pursuits or to the manufacture of goods for sale. The Danes, though so closely allied in race, appear to have been men of a different type. They were great as traders and also as seamen. We may learn how great their prowess was from the records of their voyages to Iceland, Greenland, and America, from the accounts of their expeditions to the White Sea and the Baltic, and from their commerce with such distant places as the Crimea and Arabia. Their settlements in this country were among the earliest of the English towns to exhibit signs of activity. Not only were the Danes traders; they were also skilled in metal-work and other industrial pursuits. England has attained a character for her shipping and has won the supremacy of the world in manufacturing; it almost seems as if she were indebted on those sides of life, on which she is most successful, to the fresh energy and enterprise engrafted by Danish settlers and conquerors. By the efforts of Roman missionaries she had been brought into contact with remains of Roman civilisation, but by the infusion of the Danish element she was drawn into close connexion with the most energetic of the Northern races.

9. The next great immigration into England was due to men who were closely allied to the Danes, but who had,

for some time, been settled on the Southern side of the English Channel. With the accession of Edward the Confessor, Norman influence began to make itself felt in England. Norman fashions were in vogue at court, and Norman or Burgundian artisans apparently settled in considerable numbers on English soil, but after Duke William had established his position as English king, this immigration seems to have taken place on a much larger scale. Domesday Book shows that many English estates were held by Continental barons, and in their households or on their lands there would be employment for many of their followers. We know that a number of Flemings were attracted to the land whither Queen Matilda had gone, and there can be little doubt that the same sort of tie would lead many to settle on the new estates of the Norman tenants-in-chief.

But though this incursion of foreign artisans was important, it was not the most striking economic result of the Norman Conquest. The Continental possessions of the English kings were so wide that the kingdom came to be one province of a large realm. Her destinies were inextricably involved with European politics, and even when she regained her insular character, by the loss of Anjou and Normandy, she still continued to be a part of the European system. The ecclesiastical connexion with Rome had come to be far closer in regard to many matters of church government and ecclesiastical taxation. The intellectual and religious movements of Europe were felt in our island; the rate of progress varied considerably in different lands, but the course of economic development was similar in many ways. The rise of the religious orders, the influence of the Crusades, the growth of municipalities, the devastations of pestilence, the revival of learning, the discovery of the New World, the

growth of nationalities, were events which affected the whole of Christendom, and produced similar economic results in many lands. And it was with the Norman Conquest that England entered for the first time into the common life of Christian Europe.

10. If the first two centuries of Norman and Plantagenet rule were important because of the new relations with the rest of Christendom, they were also marked by great changes within the realm. Before the reign of Edward I the new elements introduced subsequently to the Battle of Hastings (1066) had practically coalesced with the English and the Danish immigrants to form one people. This united race had common institutions; there was one Parliament in which the different parts of the country and the different classes of the community were at last represented, and the broad lines of national life and development were clearly defined. This consolidation of national life had its counterpart in the consolidation of municipal life as well, for during the twelfth and thirteenth centuries the various elements which had existed side by side in different towns combined, and old internal jealousies gave way to popular municipal government. The towns, like the nation, thus came to have an organic life and free institutions.

The consolidation of the English nation.

11. The national and town life of Englishmen was thus constituted and organised under Edward I, and there has never been since then a large incursion of foreign conquerors, or of aliens who came in the train of a conqueror. But for all that the immigration of foreigners has continued time after time. Definite political or economic reasons have attracted settlers to this country, and they have sometimes

Influx of weavers under Edward III, Elizabeth, and later.

been gladly welcomed by the government as useful, though extraneous, elements.

(a) The first of these immigrations was that of the Flemings, who were invited to this country by Edward III. The fact that England was a wool-producing country, and supplied the raw material for the Flemish manufacturers brought England at an early time into close relations with the Low Countries. Edward III, who was keenly alive to commercial considerations in all his political undertakings, appears to have seen that it would be possible, and ultimately profitable, to transplant the manufacture from Flanders to England, while local disturbances rendered many of the artisans willing to come. Though there had, doubtless, been much weaving in this country in the twelfth and thirteenth centuries, the trade appears to have received an impetus in consequence of this new immigration and to have grown rapidly, so that a very large proportion of the English wool-clip was subsequently retained for manufacture at home.

(b) There is some reason to believe that a considerable number of Italians and other aliens were naturalised in this country towards the end of the fifteenth century, but the next great immigration occurred during the Reformation period. In the time of Edward VI some foreign Protestants were established at Glastonbury, and though England ceased to be a refuge for them in the succeeding reign, large numbers came over during the reign of Elizabeth. They were settled chiefly in Colchester, Norwich, and in Kent. As the victims of the Duke of Alba they were warmly welcomed by the government. In the towns, where they were allowed to settle, and where they competed effectively with less skilled native workmen, they were regarded with somewhat different feelings. Their influence on the trade of these places was however soon found to be sufficiently beneficial to allay the

apprehensions with which the new comers had been originally regarded.

(c) The Revocation of the Edict of Nantes in 1685 caused a considerable wave of emigration from France. Many of the Southern silk-workers and of the Northern linen-weavers were Huguenots, and the popular indignation at their expulsion prepared a warmer welcome for them in England than they might otherwise have received. The silk-weavers settled chiefly at Spitalfields, at Coventry and at Macclesfield, and as the trade they practised was but little known in England they do not seem to have given rise to so much local jealousy. The linen-weavers were diffused more widely, and they too found few English competitors; their numbers were increased by a similar immigration in 1709, when many families from the Palatinate, some of them in the direst distress, found their way to our shores. Some of these destitute aliens were passed on to the colonies, while others were planted as linen-weavers in Ireland and in Scotland, the two parts of the United Kingdom where flax was most readily obtained.

12. It is easy to see that English civilisation has gained much from the extraneous elements which have at various times been absorbed in it. It Effects on industrial life. has gained in disposition and character. The curiously mixed race has been able to take advantage of new opportunities and to utilise new physical conditions, but it has also gained in manual skill. Before the age of machinery, success in manufacturing depended on the dexterity, often the inherited dexterity, of artisans. However much Edward III might have desired to improve English workmanship, he could not have done it except by importing more skilful workmen.

With each of these successive waves of immigration some

trade was introduced, or was at all events so much developed that it seemed to be a new thing. From the time of Edward III we have the manufacture of heavy English broadcloth, known as the 'old drapery.' In Elizabeth's reign we find the introduction of the 'new drapery'—serges and other light goods, or mixed goods like poplins—while, in the seventeenth century, the silk trade and the linen trade took a fresh start. All these were industries which offered employment to large numbers, and gave rise to elaborate organisation; there were also many minor manufactures, such as the making of paper and of earthenware, and improvements in cutlery, which were introduced by Flemish or Huguenot refugees. Thus it is hardly too much to say that these immigrants laid the foundations of England's industrial greatness in more than one department.

There is also some reason to believe that they exercised an important influence on our industrial institutions. It is in the Danish towns, with their artisan population, that the first germs of municipal self-government occur; and shortly after the Norman Conquest we find the first traces of those craft guilds, which were, in various shapes, such important industrial authorities for many centuries. The germs of banking and insurance appear to have come from Italian merchants settled in this country. If we turn to other spheres we see that conscious and deliberate imitation of the Dutch affected English finance in the seventeenth century; while Dutch engineers and drainers had a large hand in recovering the Fens. If England has attained to industrial and commercial supremacy, it is, in some measure, because she has succeeded in attracting to herself the most energetic and enterprising, as well as the most highly skilled, portions of the population of neighbouring lands.

CHAPTER II.

PHYSICAL CONDITIONS.

13. It might seem easy enough to describe the physical features of any portion of the globe, and especially of a little island like ours, but it is not quite easy to point out their precise economic importance. The precise economic value of physical advantages depends on the skill and energy which characterise the inhabitants of any particular country. Natural resources are relative to human capabilities. There may be much mineral wealth, which is worthless, either because it has never been discovered, or because the inhabitants have not metallurgical skill to work it. In the same way the opportunities offered by good harbours, or a fertile soil, are thrown away on any race that does not profit by them. It has been the good fortune of Britain that her various conquerors and settlers, as well as the various immigrants who have reinforced them at different times, should have brought together different and fresh kinds of skill, which could find new advantage in the physical conditions of the country. Physical conditions afford opportunities to those who can use them. Physical barriers are obstacles to men who have not the skill and patience to

The relative character of natural resources.

overcome them. In this country they have served rather to affect the lines on which English civilisation has developed than to call forth its original vigour, or to give it additional impetus.

14. Long before the time of the English settlement, Britain was visited by Phœnician or Carthaginian traders, who came to the Scilly Isles and Cornwall to procure tin. Of all the mineral products of England this seems to have been the one which was first worked for purposes of trade, and all through the Middle Ages tin, together with lead, was one of the chief articles of the export trade. The lead of Derbyshire was undoubtedly worked by the Romans. They also carried on iron-mining and smelting in the Forest of Dean, and the mineral wealth, thus discovered and utilised before the English invasion, continued to be utilised throughout the history of the conquering race.

More important for English trade than any metals, have been the large beds of coal found in many parts of the country. The Romans used this fuel in the camps on the line of Hadrian's wall, and the Northumberland and Durham seams have been worked time out of mind. The coal was so near the coast that it could be readily shipped, and in the sixteenth and seventeenth centuries it came to be the source upon which London relied for a supply of fuel. In the eighteenth century the invention of the blast furnace rendered it possible to use coal for smelting iron, and this led to an enormous expansion of the coal and iron trades. Steam power was first utilised for industrial and commercial purposes about the same time, and the possession of an enormous coal supply gave England an opportunity of taking the lead in the application of machinery to manufacture and to shipping.

15. While these mineral products have been of importance, English prosperity has been largely due to the products of the soil. Britain was a ^{Suitability for tillage and forestry.} fertile province, which served as one of the granaries of the Roman Empire. There have been times when the art of agriculture has progressed but slowly, and when there has been some temporary exhaustion of the soil. On the whole, however, the skill of the farmer has advanced along with the new demands made on it by succeeding ages ; and the produce per acre of land under crop is probably larger now than it has ever been in bygone times. Here and there land has gone out of cultivation, but considerable additions have been made to the cultivable area by embanking the sea and draining the fens, while the nineteenth century system of thorough drainage has greatly increased the facilities for working the land profitably.

Much of the land that is now cultivated was at one time occupied by woods and forests. These had a high economic value while they lasted. They provided a fuel which was easier to work and pleasanter to burn than coal can ever be. In many places wood was the only fuel procurable, until the construction of canals rendered the midland coalfields generally available. The forests also gave a wealth of materials for building the old-fashioned houses, which are so fast passing away, as well as for constructing ships. Though substitutes of various kinds have been found for these materials, it may still be a matter of regret that the forests were so recklessly used up. The chief blame for this extravagance probably rests with the iron manufacturers in the seventeenth and eighteenth centuries. The exhaustion of the soil is an evil from which recovery is possible within a comparatively brief period, but the waste or destruction of natural woods and forests cannot be so rapidly replaced.

16. England has also been a great wool-growing country.

Pasture-
farming and
grazing.

This was the case, to some extent, during the period before the Norman Conquest, but it was not until the twelfth century that English sheep-farming became important. This development occurred chiefly in the North of England, where land, unoccupied since the devastations of the Conqueror's days (1069), could be easily and profitably used for the breeding of large flocks. The Cistercians, for whom many houses were founded in the twelfth century, devoted themselves more especially to this avocation, and merchants from Lucca and other Italian towns, as well as from the Low Countries, soon afterwards engaged in trafficking for their wool. Pasture-farming continued to increase, and in the sixteenth century such a high price could be obtained for wool, that it led to a great development of sheep-farming at the expense of tillage. With the development of the arts of manufacture, a time came when but little wool was exported in its raw state. English breeds of sheep were highly prized from early times, and the quality of their wool was considered to give England a practical monopoly in certain branches of the clothing trades. The importance of the wool was so great that it has overshadowed and obscured the great advantages which England derived from her pastures by the breeding and rearing of cattle. They were a considerable source of food, and served for the victualling of ships; but, besides this, the leather trades have been an important element in English prosperity from medieval times. Hides, wool, woollfells and lead were staple commodities in the time of Edward III, but cattle farming contributed to our wealth before that period, for butter and cheese appear to have been ordinary exports soon after the Norman Conquest.

17. Even more important, in some aspects, than the

products of the land, has been the harvest of the sea. Fish abounds on all the English coasts, but the herring fishery off the Norfolk coast has been of special value. The take of the herring fleet was in early times disposed of on the beach at Yarmouth, where the town grew up as an adjunct to the fishery. In Tudor times, when serious efforts were made to develop English shipping, special attention was devoted to the fishing trades as a school for seamanship. The aptitude thus fostered was, doubtless, of service in distant expeditions, and may help to account for the acknowledged superiority, which England obtained, from the first, among the fishing fleets off Newfoundland.

Fisheries
and seamanship.

18. While England has these various advantages for industries of different kinds, she is also well provided with natural facilities for commerce. Throughout the Southern, Eastern, and Midland Counties, where the wealth of the country was concentrated in earlier times, there are no great mountain ranges to offer serious obstacles to intercommunication. Engineering difficulties in the making of roads have, therefore, not been formidable, and the main lines of communication were well served by the great Roman roads, which formed the most important part of the English inheritance from Roman Britain. The maintenance of roads and bridges was one of the strictest obligations, which fell upon all landowners in feudal times, and from this not even the most favoured tenants were exempted. But much was also done by the monastic houses, and by private individuals as acts of piety. In the fifteenth century when there was much local disorganisation, the roads fell into a worse condition than had been the case in earlier days. So far as we can judge there was little improvement, despite some occasional efforts, till

Roads,
rivers, and
canals.

the eighteenth century, when the matter was seriously taken in hand. A general Highway Act was passed (1741) and so successfully enforced that the first twenty years of George III's reign showed a remarkable change in the possibilities for intercommunication, not only in good weather, but in bad. The progress then made has been maintained, while the invention of Macadam (1816) and the skill of Telford and other English engineers brought the roads, in coaching days, to a very high standard of excellence.

The physical conditions which rendered road-making comparatively easy have given a character to English rivers. They are not rapid torrents, but streams working their way along level plains or in broad valleys towards the sea. Many of them are tidal to a considerable distance inland, thus affording sufficient depth of water for sea-going ships, and providing a current which diminishes the labour of working up the stream. Water traffic gives the easiest facilities for the carrying of heavy goods, and more than one of the great fairs of England, like those of Stourbridge and St Ives, were held near a convenient water-way.

Communication with Holland in the seventeenth century caused Englishmen to turn their attention, especially in the period succeeding the Restoration, to the improvement of their water-ways; but not until a hundred years later was much done to improve the rivers or to use them as feeders for canals. The success of the Manchester and Worsley canal was, however, a great encouragement to this kind of enterprise. The chief towns of England were brought into connexion with one another by canals, and communication by water was established between the principal river-basins. The new facilities for traffic gave opportunity for the profitable working of coal in many districts, from which it could not previously have been conveyed to

market; and the development of the South Yorkshire and Derbyshire fields followed as the result of these improved methods of transit.

19. In the latter part of the eighteenth century water came to be of new importance, not only in connexion with internal commerce, but for **Water power.** manufacture as well. Water power had been used from time immemorial for corn-mills, and it was also employed in the fulling and dressing of cloth. But during the last century, with the progress of invention, it came to be rendered available for various manufactures, so that there was a migration of industrial enterprise to those districts where abundant water power was obtainable. Both the hardware and the textile trades were susceptible to this attraction. For iron smelting, water power was needed to produce a sufficient blast for the furnaces. It was also found that the power for driving the machinery employed in the processes of preparing the wool and also in finishing and dressing the cloth, gave a fresh advantage to the clothing trades of Gloucestershire and Yorkshire; business migrated to these districts, and the old-established industries of the Eastern Counties were completely ruined. When power spinning and power weaving came to supersede hand-labour, water was the agent which was first employed to drive the new machines. Steam eventually superseded water power; for it could be easily increased at will, and the constancy of the supply could be reckoned on with certainty. But, though this was the case in later times, the physical distribution of water power did not a little, in the first instance, to determine the localisation of the principal English industries.

20. If the course of English history has been affected by the nature of her soil and products, and by the facilities for internal communi-

Insular character and royal power.

cation, it is none the less true that her insular position has been of great, though perhaps of indirect, economic importance. The sea has, on the whole, served as a defence against external invasion, and no part of England has been the scene of frequent conflicts such as were but too common in France and Italy for centuries. Security from attack is one of the first essentials for industrial progress; the greatest commercial centres of the old world, Tyre, Rhodes, and Venice, relied on their maritime position for protection. It has been the good fortune of England to have an unexampled history of industrial and commercial development carried on, for several centuries, with entire immunity from successful invasion by, or subjection to, foreign powers.

Political security, the result of her insular position, has reacted favourably upon her industrial life; and a similar indirect influence has been exerted by some other features to which allusion has already been made. The remains of the Roman roads and the navigable rivers of England offered, from very early times, comparatively easy facilities for internal communication and afforded the material conditions which favoured the eventual growth of a strong internal government. It is at all events noticeable that in Norman times the royal power made itself felt in maintaining the king's peace, to the advantage of agriculturists and of traders alike, while private war was still rampant across the Channel. The town life of England grew up in subordination to, and under the patronage of, the central power; while the cities of Germany and Italy were almost independent powers, and those of France were engaged in frequent quarrels with their wealthy neighbours. There was a gradual and harmonious development of constitutional and municipal life in this country, which could not but be favourable to wise fiscal administration and commercial regulation.

21. Geographical situation has also been highly favourable to English commerce, and the coasts of England afford a number of excellent harbours. Facilities for maritime commerce. From a very early period, London has not only had a part in the export and import trade of this country, but has served as an important commercial depot. The great routes of trade in the early Middle Ages formed a sort of parallelogram, of which Constantinople, Marseilles, Wisby and London may be regarded as the corners. When the discovery of the New World revolutionised the commerce of the Old, England had facilities for access to the new region where her great Dominion still stretches, even though the most flourishing of her colonies have thrown off her sway. It was only after contending with many rivals that Englishmen forced their way to the East, and founded and maintained a commercial empire there. Commerce with the New World, however, seemed to lie ready to their hands, and they not only monopolised the trade with their own colonies (1651), but also undertook a large part of the carrying trade for Spain (1713).

22. The most cursory review of the physical advantages which England has enjoyed cannot but raise a question as to the stability of her present prosperity. Physical bases of our prosperity. Commerce depends in many ways on agriculture or on manufacture. Unless we have wealth to sell, we cannot buy wealth from others. In early times England exported corn to supply some other parts of the Roman Empire, and even as late as the end of the eighteenth century she produced corn in sufficient quantities to be able to export a surplus. With the vast growth of our population, we no longer have corn to sell when we enter the market of the world; we need to buy it from abroad.

The same has been the case with wool. In the thir-

teenth and fourteenth centuries wool was our chief article of export and the mainstay of English commerce. When the manufacture, in all its various branches, was successfully planted here, our clothing trade held a specially strong position. Abundance of material was supplied at home, and there were many markets abroad where our cloth was in eager demand. But, since the wool famine at the close of the last century, English manufacturers have been forced to look elsewhere for materials to work. The development of sheep-farming in Australia has destroyed the preeminence of England as a wool-producing country, and has struck a blow at her practical monopoly in the manufacture of cloth.

It is still more obvious that her mineral wealth cannot afford a permanent basis for her commerce. The fuel supplied by her woods was often recklessly wasted, and there is little sign of any practical attention being paid to the approaching exhaustion of our coal. The immense accession of wealth which came from these mineral resources enabled us to bear the brunt of the struggle with Napoleon, but our financiers could only do it by mortgaging the future and adding largely to the national debt. It is not easy to see how that burden of indebtedness could be defrayed, without intolerable pressure, if the coal and iron trades were seriously crippled.

The industrial foundations on which English commerce has been built up hardly seem sound enough to inspire great confidence in the maintenance of our position, but other commercial realms have prospered as depots, even when their industry was not of first-rate importance. Tyre was a commercial depot; so too was Venice. Their failure came not through a blow to their industry, but through the opening up of better commercial routes, which left them on a siding. England still holds her own in the carrying trade of the world,

and London is still preeminent as a commercial centre. How far the development of new areas or the opening up of new routes may affect her position we cannot guess; it is, at least, not impossible that history may repeat itself and that, with new political combinations, the centre of gravity of the commerce of the world may be shifted once more.

CHAPTER III.

THE MANORS.

23. IN modern social life we find that every citizen may easily recognise a number of distinct interests in which he has a personal part. Parochial, municipal and national life. He is anxious for the maintenance of the power and prosperity of the country as a whole, even though he may not be able to specify the precise way in which any great national disaster would press upon him personally. He is interested in the good government—in the lighting, paving and sanitation,—of the town with which he is most closely connected. He probably has a friendly feeling towards one or more country districts, and is glad if the crops are good, and the people comfortable. We have here three distinct types of social life, in each one of which most of us have some sort of interest. But whereas, at the present day, national disaster or national well-being—the ebb or flow of trade—is generally and widely felt, while local politics and parochial interests seem to be comparatively trivial, it has not always been so. There was a time when a vast number of Englishmen hardly had reason to look beyond their village or their town, and only came occasionally into conscious contact with the world outside. The prosperity of their own village or their own town was

all that concerned them then; whereas all of us now, for the very bread we eat, are affected by the state of trade between England and other lands. National life has developed apace, so as to outgrow and overshadow the interests and politics of the village or the town. In the twelfth century, for almost all the purposes of life, the village or the *manor* was by far the most important of these social organisations, when few towns existed and when national ties were of the slightest. As in course of time *towns* grew up, they became the important centres of trade and of industry; the stream of progress, instead of flowing along the narrow channels of village life, can be most readily observed in the larger life of the towns. They, in their turn, fell into the background, as *national* regulation and national institutions became more powerful to watch over and to promote common national interests.

Each of these different forms of social organisation has been required to serve different purposes. Their powers have been brought into play (*a*) to secure the subsistence, (*b*) to provide for the defence, and (*c*) to regulate the activities, of the persons who compose them; and in the discharge of each of these functions, they have had to deal with questions that are really economic. This is obvious in regard to the means of human life, whether they are procured by agriculture, by industry or by trade. It is also clear that the necessities of defence involve military obligations or taxation, and that the military system must be taken account of in its fiscal aspects. Similarly, legislative and judicial administration control the conditions under which industry is carried on, and lay down the rules by which it is regulated. All these sides of social life have some economic bearing, and each of them must be at least alluded to in an industrial history which deals with these various groups in turn.

24. When we go back to the earliest times, from which we have full and clear information about the **Manorial organisation.** social condition of this country, we find a state of affairs when there were few great towns engaged in industry and commerce, while by far the larger part of the population were directly interested in rural pursuits. Throughout the length and breadth of England there were manors, which we may think of as villages inhabited by men, who differed considerably in status, but all of whom, in a greater or less degree, were responsible or subject to the lord of that manor. Despite the infinite variety of local usages, which prevailed among these manors, it is yet possible to describe a common type to which they approximately conformed.

(a) So far as the means of subsistence are concerned, **Subsistence and household management.** we have no difficulty in understanding the nature of the policy that was pursued. This is clearly brought out in the books on estate management, which were written by Walter of Henley and Robert Grosseteste in the thirteenth century. Each group had an independent life economically. The authorities in each manor aimed, so far as possible, at rendering it *self-sufficing*, although they did not disapprove of the disposal of surplus commodities to outsiders. To supply all the wants of the inhabitants from the resources of the manor was a sign of good management, though it was of course occasionally necessary to buy some articles at markets or fairs, or from travelling chapmen. It is hardly possible to conceive a greater contrast than there is with the present day, when rural districts sell the largest part, if not the whole, of their produce in markets, and depend for their supply of the comforts and some of the necessities of life on their power of purchasing from the towns.

We can best see how completely this was true of the poorer classes, when we notice the system adopted, even in great households, by men who could most easily procure the means of transport. The king and the great magnates who were the owners of many estates, found it simpler to transport the *personnel* of their establishments from place to place than to gather the produce from their estates at any single palace. The great landowner was frequently on the move from one manor to another; and the practice of making but a brief sojourn on each estate continued, long after the commutation of food rents for money payments had rendered such a course unnecessary. This may, to some extent, account for the curious lack of comfort to which the rich men of Norman and Angevin times submitted. They and their retinues would be sheltered in a large hall, with one private chamber—the solar—at the end. There was little or no furniture, as the rough tables on tressels and benches brought out for meals were cleared away, when the company settled themselves to sleep on the straw, with which the unboarded floor was littered. A lack of knives and forks, of glass and china, rendered inevitable habits of eating and drinking which are inconsistent with our notions of refinement; while the *débris* of the banquet was discussed by the dogs on the floor, and was finally removed when a great occasion required that the hall should be strewn with fresh straw. When the food which could be conveniently stored at one centre began to give out, the cavalcade would move on to another estate, each of which was separately managed, and each of which could afford subsistence for a longer or shorter period of residence.

(b) Though these manors were thus independent and self-sufficing in this aspect, we may yet see that for

purposes of defence they were closely linked together.

Defence
and fiscal obli-
gations. From the time of the Norman Conquest, at all events, each shared in the obligation to contribute to the royal treasury for military purposes. The fiscal obligation of each manorial lord to the Crown was a very real tie with the central authority, and bound these isolated self-dependent groups into one whole for defence against external foes. Such is the picture of England put before us with great detail in the wonderful record known as *Domesday Book*. This book embodies the results of a survey taken by William the Conqueror in 1086. He desired to know, not only the rent obtainable from the Crown estates, but also the amount at which each separate landowner throughout the country was assessed for the payment of Danegeld. This tax, originally levied for the purpose of buying off the Danes, had come to be employed as a means of raising money for military purposes. In the earlier Norman reigns it was levied occasionally, and not as a regular and annual tax. The sheriffs—officials who acted as the king's representatives in the counties—were charged with collecting the royal rents and the royal taxes. They made their payments to the Exchequer, and in the records of that court, which exist from the times of Henry II onwards, we get an immense amount of information, in regard to all parts of the country, reflected in the entries of payments, or of remissions of payments, to the central Exchequer.

The aspect of the manor which is thus brought under our notice is fiscal. The lord of the manor was responsible for the payment of a certain sum to the sheriff, and he may, therefore, be looked upon as the officer by whom the smaller contributions of taxes were actually collected. On almost every manor some of the tenants seem to have been

practically independent of the lord in various ways, and free to deal with their own land as they liked, while yet they were not directly responsible to the king for the payment of taxes, since they paid through the lord of the manor. By far the larger number of the inhabitants, however, were bound to the lord by stricter bonds. The lord's chief means of defraying the Danegeld came from the produce of his own estate. This consisted partly of his demesne lands, and partly of the holdings, which were granted to villeins on condition that they should render regular and specified service on the lord's demesne. In this way the villeins were an integral part of the estate, for without them no cultivation was possible and fiscal obligations could not be discharged. Their relation to the lord can hardly be expressed with accuracy in modern terms. It might be said that they were the lord's tenants, who paid their rent not so much in money or kind as in service. Or it might be said that they were the lord's labourers, who received for their work not wages, but a ready stocked allotment, which they could work in their free time. But the precise nature of their obligations at different dates must be more fully considered below.

(c) The third aspect of the manor as a judicial or administrative centre need not be dwelt on at length, though much of the business that came before the courts had an industrial bearing. There are many records of manorial courts which show us how constant and how varied was the work they had to do. They were much concerned about the weight of bread and the quality of ale. The manorial court was also the place where important business connected with the estate took place. There the tenant took up his holding, and there the villein formally entered on his obligations as a tenant. There too formal complaint was made if any

villein deserted the village, and thus left the estate short-handed. And since the majority of the labourers were practically *astricted* or bound to some particular estate, there was no opportunity of hiring labour or of seeking employment such as we are familiar with to-day. Hence, in matters of internal regulation, as in regard to internal economy, the manors were singularly independent. The mutual obligations of the landholder and of the peasantry were settled, less by a general law which held good for the realm, than by the custom of each particular manor. Many small cases, connected with buying and selling or with ordinary police administration, were adjudicated on in the manorial court according to local customs, since there was little statute law on such topics for the whole realm.

25. We can trace these manorial groups as far back as the time of the Norman Conquest, for Domesday Book gives us very clear indications of the existence of this social type with all its different functions. In the forefront of each entry we get a statement of the rate at which each place was assessed for the Danegeld; while at the close of each entry, in most counties, we have estimates of the value of each estate, and these help us to see where taxation pressed most heavily. We also get details of the condition of each estate for subsistence—of the stock with which it was worked, of the villeins on whose labour the lord could depend, of its resources in the way of meadow and pasturage, and of any special sources of wealth, such as a market, a fishery, or a mill. Besides these details, there are some indications of the judicial rights, criminal or civil, which the lord of the manor could exercise. The whole is put clearly before us, as it existed eight hundred years ago; but when we try to look behind the Domesday record, and to see how this complex rural institution grew

The early
history of the
Manor.

up, we find ourselves brought face to face, not so much with positive evidence, as with various conflicting theories, which would trace the development of the manorial organisation to royal influence, or derive it from changes in voluntary associations.

Each of these social factors may have contributed some elements to the growth of the whole. In the fiscal and judicial functions of the manorial lord, the influence of royal authority is tolerably clear. There is also much to be said for tracing the organisation of manorial households to a similar source, and for supposing that other households were regulated and organised on the model of the royal establishments, as if the manor were organised from above.

But in Domesday Book and in later sources there are various traces of communal life, and of communal rights against the lord, which seem to show that the first English settlers were men who voluntarily associated themselves together for combined tillage, and for sharing common responsibilities. This associated and collective organisation of labour is certainly found among the serfs in medieval manors, and though some writers seem to think that it was imposed by masters from above, it seems more likely that it arose, at all events in some cases, from voluntary association.

The whole question of the origin and early history of the manors is still in dispute among scholars, and in the mean time it may suffice to put forward two negative conclusions.

i. There is no reason to suppose that every centre of rural employment grew up in the same way; some may have originated in a body of serfs and some in a voluntary association. There is no reason why the origin of one should not have differed from the origin of another. Instead of disputing whether they were all free or all servile, we might do well to recognise the third alternative that they had, as

agricultural communities, no special political character at all; but, as soon as any rural group came to have a political character and to be used by the Crown for judicial and fiscal purposes, its main features would resemble those of other social groups which had had a different previous history.

ii. There is a temptation to regard the manors or centres of rural employment as survivals from Roman times. This suggestion is at least unproved; in the face of the evidence already adduced as to the complete destruction of Roman society in Britain in the fifth century, it does not even seem very probable. There are of course many striking similarities between the villas, of which the remains are found in so many parts of Britain, and the manors described in Domesday Book. There are many points of likeness between a great estate at one time and a great estate at the other, but there are also great differences; while some of the similarities are directly connected with natural conditions and give no evidence of historical derivation. Resemblances must necessarily be found in the cultivation of similar crops on similar land, with similar ploughs and similar oxen; and when we also take account of the manner in which Continental customs and Roman terminology were introduced, subsequently to the conversion of the English, there is but little ground for supposing that Roman villas survived as centres of rural employment. The continued existence of the Roman villa is the last line of defence maintained by those who hold that our English civilisation is directly derived from that which existed in Roman Britain; but it is at present an unproved hypothesis.

26. Though the origin and early history of the manor are so obscure, we may get a full and detailed description of its working as a centre of rural employment in the thirteenth century. At

Manors in
the thirteenth
century. Re-
cords.

that time, a careful system of administration and the rendering of written accounts had become common on all well-managed estates. We have several handbooks on English estate management, dating from the reign of Henry III; the most celebrated of these treatises continued to be the standard book on the subject for nearly three hundred years. It was written by a Dominican friar named Walter of Henley, who probably had some practical experience in connexion with the estates of the great monastery of Christ Church, Canterbury. We are, besides, able to refer to three different forms of records which were kept on well-managed estates. The *extent* or *rental* gives us the list of the tenants with a statement of their obligations, whether they were discharged in kind, in services, or in money. It was a sort of survey of the manor, which was made at intervals, and required little modification between times. It gave a statement of the resources of the estate and the legitimate expectations of its owner. The *accounts*, which were made up each year, not only showed the produce of the demesne farm and the purposes to which it was applied, but enumerated the live stock on the estate, and showed how far the obligations of the villeins and other tenants, as recorded in the *extent*, were actually discharged in any particular year. Again, we have the *Court Rolls*, or records of the manor on its judicial side, which tell us of the changes in the *personnel* of the tenants, and occasionally of modifications in the character of their obligations. From these sources it is possible to reproduce, in considerable detail, a picture of the life on manorial estates.

27. We may think of the manor in the early years of Edward I as an estate, managed by a bailiff on behalf of the lord. If the latter were a wealthy man with many estates, he would

The officials
and the
villeins.

appoint a higher official or *steward* to represent him, and to supervise the details of management in his behalf. The *bailiff* was the responsible official on each estate, who had to account in detail for the stores and the stock each year, and who also had to see that the villeins did the work, and made the payments, required from the holdings they enjoyed. There was also a foreman (*praepositus*) elected by the men; it was his business to represent them in all transactions with the lord, while a *hayward* superintended the actual work and saw to the contributions of seed-corn.

The arable land of the lord and of the villeins would often be intermixed (cf. below, § 112), but the portion which was directly managed by the bailiff was known as the *demesne*. The lord himself possessed a good many oxen for working this land, but the villeins were called upon to contribute the labour of their stock, as well as their personal services, on the lord's land. The demands of the lord appear in earlier times to have been somewhat indefinite and therefore arbitrary, but by the time of Edward I they were, generally speaking, perfectly certain and precise. The typical villein's holding consisted of a *yardland* or *virgate*, which would, approximately, be thirty acres of arable land. When the villein entered upon the holding at Michaelmas he would find part of his land ready sown, and he would have a couple of oxen assigned to him as the necessary stock for working it. When the holding was delivered up to the lord, as for example at the villein's death, the full stock with which it had been let was returned. For the maintenance of this stock the villein would have a right to the produce of a strip of meadow-land, while he might pasture his cattle, and perhaps some sheep in addition, on the common waste of the village. In course of time additional portions of land were separated from the waste, to be

used either as separate crofts or for additional tillage ; but the lord was always bound to see that there was no such reduction of the common waste, as to encroach on the fodder available for the cattle of the village. This acknowledgment of common rights was enforced by one of the earliest Acts found in our Statute Book, the Statute of Merton passed in 1236.

The villein who held a yard-land would be subject to such obligations as the following. He would have to render three days' work a week on the lord's land from Michaelmas till St. Peter ad Vincula (Aug. 1), but he was allowed holidays at Christmas, Easter, and Whitsuntide. He had to plough with his own team four acres of the lord's land. He had to carry manure, to weed and mow the lord's meadow, as well as to cut and make and carry the hay. From St. Peter ad Vincula to Michaelmas he was to put in twenty-four days' work, so that he might be kept consecutively busy in the lord's harvest operations. It was clearly defined whether he should have his meat and drink from the lord, at each of these times of obligatory service, or not. The harvest work must have been regarded as specially long and heavy, since he had to pay a penny to be free from one day's labour at that time, whereas a halfpenny was regarded as the equivalent of the day's work at other times of the year. He had, moreover, to pay 1s. 8d. at Easter and a similar sum at Michaelmas-Day, and to present a hen at Christmas time. These were the chief obligations of a tenant in villeinage at Borley in Essex, early in Edward III's reign, but they may be taken as typical of the obligations of villeins generally, although the custom of each manor might vary in some details.

On these estates there were groups of men who were of similar status, and liable to similar obligation, and who thus formed a sort of community on the estate. They appear to have been collectively responsible for the work, so that if

one failed, the others had to make up for his deficiencies. The *praepositus* was their own elected officer, who ruled them in their own interest, and was their spokesman with the lord or his steward. Though they were, in some ways, in a servile position and astricted to the land, they yet had a definite social status, which they may well have valued. Outsiders, who were dependent on casual employment, and who had little, if any, land to work, were in a certain sense free, as the villeins were not, but it hardly seems that the free labourers were a superior class till after the agricultural revolution which followed the ravages of the Black Death in 1349.

There was one change which seems to have been going on with more or less rapidity in the fourteenth century. The landlord, apparently, was at liberty to choose whether he would have the actual services rendered, or receive the recognised money equivalent. In some years the accounts of an estate would show a large entry for *opera vendita*, i.e. for payments made by the villeins in lieu of service. On the whole it was to the interest of the landlords, in the early part of the fourteenth century, to take money instead of reluctant service, and to get the necessary work done by hiring free labourers, or others when they wanted them, instead of finding work for the men at stated times. In some cases there was a formal agreement that money payments should be regularly taken in lieu of actual service. In an agreement of this kind, made in 1343 at Granborough in Buckinghamshire, the tenants became collectively responsible for deficiencies in money payments, as they had been, in all probability, in earlier days with respect to service. Even where there was no formal agreement, the practice, if not the binding custom, of taking rents in money and not in service, came more and more into vogue during this period.

28. The terrible plague known as the Black Death, which swept over England in 1349, had many results on English society. In the rural districts it rendered the old system of bailiff-farming impracticable, and thus brought about a revolution in the management of manorial estates. The immediate effect of the pestilence, which killed off, roughly speaking, about half the population, was to make labour very scarce. On those estates where the money-system had come into vogue, labour could not be hired on the old terms. In some cases there was reason to fear that the crops would be utterly lost, because the labourers stood out for unprecedented wages; and a statute was passed, which was several times re-enacted, to compel them to work at the old rates. This *Statute of Labourers* (1351), could, probably, not be permanently enforced, and the money-system of estate management, which had been coming in before the Black Death, proved unremunerative. The lord had the necessary stock and the necessary land, but he could not afford to pay for the requisite labour at the new rates. Under these circumstances the simplest expedient was to give up the attempt to farm through his bailiff, and to break up his demesne farm into holdings which could be let, together with the stock necessary to work them, at a regular money-rent. This was the beginning of leasehold farming, and, ere long, it came to assume the modern type. The *stock and land lease* appears to have been a transitional form, which gradually gave way to an arrangement by which the tenant supplied the stock, while the landlord was responsible for the land and buildings. These leaseholders were probably drawn, not from the villeins who already had holdings, but from the class of free labourers; the new holdings would not, however, differ much from those of the villeins. As the

Immediate
effects of the
Black Death.
Stock and
land leases.
Sheep-farm-
ing.

leaseholder could not hire extra labour, his holding would be such as could be worked by a man and his family. It would correspond with the virgate, though as the leaseholder would have all his time for himself, he would be able to till a somewhat larger area, or to work a smaller area more thoroughly.

In the case of other estates, where this expedient was not open, the landlord found it profitable to take to pasture-farming. Sometimes he might be able to do this without encroaching on the arable holdings of any of his humbler neighbours, or interfering with their pasture. As the change went on, however, there were many landlords, who showed little scruple in this matter; bitter complaints were made of their conduct, but the early history of the large sheep-farms is little known. It need only be pointed out that pasture-farming was a possible expedient which landowners might adopt, when it proved hopeless to carry on bailiff-farming on the money-system, either because so many villeins were dead, or because the estate had been *depopulated*.

29. The problem was somewhat different on those estates where the performance of actual services was still habitual, or was, at least, a recognised alternative. On these lands bailiff-farming could be continued. It would be distinctly to the advantage of the lords to obtain services, and not money; and in so far as they could procure servile labour, the land could be worked to great advantage. But, apparently, they were only able to enforce their claims by putting great pressure on the villeins. Those who had been in the habit of buying their freedom from a good deal of work would resent a refusal to take their money. If, as a consequence of the plague, very few villeins were left alive on an estate, it might be difficult to enforce their collective and communal responsibility without

The Peasants'
Revolt.

serious oppression. The comparative freedom and prosperity of the new leaseholders would also render the villeins dissatisfied with their position, and thus social discontent, coupled with political unrest, brought about the wide-spread and organised rising of the peasants in 1381.

30. This rising was very wide-spread, and yet, in some ways, was very local. Norfolk, Cambridge, St. Alban's, and Kent are the districts about which we hear most. The precise cause of complaint at each of these centres of disturbance was different. The insurrection was, in the main, directed against the manorial lords and their demands. As the rising took a local colour in different districts, so too it seems that some districts were entirely exempt from its influence. On the manor of Littleport, near Ely, the accounts of the year show no trace of any irregularity, and the services of the villeins appear to have been rendered according to the old routine. Still the villages which felt no effects of the movement must surely have been exceptional; for the rising assumed such proportions, that its leaders were able to obtain considerable success. Charters of manumission were granted; but these were subsequently set aside, on the ground, apparently, that they had been extorted by force. The forces at work were too strong to be arbitrarily checked. Commutation continued until the changes in estate management had gone so far that villein service was no longer demanded.

The repression of the Revolt and the subsequent decay of villeinage.

It seems very probable, however, that the discontent of the villeins, which had broken out so violently, put increasing difficulties in the way of working the land on the old system of bailiff-farming with obligatory labour. The break-up of the demesne farms into leasehold tenancies, or the conversion of the land into sheep-walks, became increasingly convenient.

In particular, a growing demand for wool rendered sheep-farming highly profitable. The temptation to get rid of the inhabitants and to use the land for pasture only, was strong. In 1459, serious complaints were made at Coventry of the manner in which tenancies had been destroyed, teams broken up, and parishes laid desolate in parts of Warwickshire; while the current sneer of foreigners about our reliance on sheep, instead of on ships, shows that the change was not confined to a single Midland county. The tendency continued to operate with varying force till the close of the sixteenth century; depopulation was regarded as a serious political danger, and seems to have been carried out in some cases, at least, in a ruthless fashion. Whether the dispossession of the inhabitants was effected with due regard to their legal rights, and how far they were illegally evicted, are questions of much difficulty, but it is not of much importance with respect to the economic effects of the change.

As this rural revolution advanced, the manor ceased to be an important centre of employment, while owing to changes in the levying and collection of taxation, it was no longer a unit for fiscal purposes. In many cases its judicial functions had also come to be of subordinate importance, as they were being superseded by other agencies. From the time of Richard II onwards we find that the importance of justices of the peace increases; and in the Tudor period the overseers of the poor came to exercise some of the duties of local administration. In these ways it appears that before the Reformation the manor had ceased to occupy a prominent position either as a centre of rural employment or of local administration. The formalities of this jurisdiction still survive in many places, where manorial courts are held and copyhold tenures exist; but they seem now

to be mere anachronisms, not effective instruments of local government. This gradual decay of the manorial organisation on all its sides resulted in the disappearance of serfdom. Such a change is not easy to date, but there is evidence to show that some of the disabilities of the state of villeinage remained, and were felt to be serious grievances as late as the time of Elizabeth.

CHAPTER IV.

THE TOWNS.

31. A GREAT many of the towns grew up under manorial patronage so that their earlier history is really the story of a prosperous manor. Some, indeed, of the most important—such as Sheffield—grew up and flourished under this system, and Manchester had very little of the constitutional character of a town until 1846. A town, in this constitutional sense, was a place where the inhabitants were collectively responsible for the king's taxes, and came, in consequence, to have considerable authority for local self-government, and for the assessment of the quota which each householder had to pay for the royal taxes. A group which had attained this fiscal character is easily distinguishable from the manors, in each of which the lord was personally responsible for taxation. During the period of the Crusades a very large number of English towns had so far advanced in wealth and importance that they were able to obtain charters, which granted them this direct responsibility and freed them from the interference of the sheriff, as the king's representative, in their internal affairs. It was not until they had attained a considerable amount of prosperity

Manors and towns. Fiscal responsibility.

that they could be trusted in this fashion, and the history of English municipal life before the era of the Crusades, although very interesting, is very obscure. One of the chief difficulties about it is, that the occasions of progress and the manner of progress have varied so much in different towns. The story of each one ought to be traced separately and individually, but here, it is only possible to indicate some of the varied influences that have been at work, and to illustrate the manner in which they have operated in different places.

32. It scarcely admits of doubt that the Angles and Saxons, when they invaded the deserted Province of Britain, were little attracted by the remains of the Roman towns. Some of them they burned. Others they allowed to fall into decay, while they themselves settled in rural districts and in small self-sufficing groups, which, under these circumstances, offered scant opportunity for internal trade, and few attractions to foreign merchants. A few pedlars may have gone about the country, and occasional fairs may have been held, but there was little regular commerce to favour the maintenance or lead to the revival of town life. Of the fifty-six cities of Roman Britain, there is not one in regard to which it is perfectly clear that it held its ground as an organised centre of social life through the period of English conquest and English settlement.

Early Eng-
land. Monas-
tic and Danish
influence in
favour of town
life.

The manor has been spoken of as a centre of rural employment. Towns must be regarded as centres of trade and commerce, and any social gathering or settlement, affording opportunities for trade, supplied a nucleus, which might sooner or later develop into a town. The introduction of Christianity, and the struggle with the Danes, each brought about social conditions which favoured their growth. Opportunities of trade were offered in Christian times at

places of pilgrimage, especially on the days when the patron saint was commemorated, while the great Benedictine monasteries formed large establishments, which were often partially dependent on goods brought from a distance. Norwich and Canterbury, Bury, Reading, and Worcester are among the towns which have thus come into being under the shadow of a great abbey.

On the other hand the forts, built by the Danes or erected by Edward the Elder and his sister, the Lady of Mercia, to hold the country against the Danes, were also centres of trade; and the growth of such towns as Leicester and Tamworth may perhaps be traced to these causes. But so soon as active contest with the Danes had abated, and they were adopted as a constituent element on English soil, the progress of the towns was rapid. The Danes were given to seamanship and trade as the English had ceased to be. They brought England into intercourse with their own settlements on the Baltic, in Iceland, and in Ireland. They seem to have devoted themselves to industrial pursuits and to have furnished some common articles of trade. The importance of the Danish contribution to town life is seen in several ways. Besides the boroughs which had Danish *Lawmen* to govern them—Lincoln, Stamford, and Cambridge—there were others, like London itself, which reflect the Danish influence in their constitutions. The Husting Court is a Danish term. We can trace them more widely by their religious associations. Just as the origin of different Greek or Phœnician settlements is evidenced by the worship in their temples, so the Danish element in English towns may sometimes be detected from the dedication of a church to a Northern saint. There is a St. Olaf's not only at York, but also at Southwark and in Exeter. When we take these various and apparently trivial indications into account, we

can realise how deeply the progress of English towns has been affected by the influence of these later settlers.

33. While these influences made it possible for town life to arise, there were various physical conditions which rendered one point or another especially favourable for the new development. The English rivers offer facilities for carriage

Domesday towns. Rural character. Conflicting jurisdiction.

far into the country, and more than one town has arisen at the point where the tide served to bring the small seagoing vessels of early days. Perth and Stirling in Scotland, Ipswich, Norwich, and Chester may all be regarded as illustrations in point. In other cases the great Roman roads remained to offer facilities of communication; and new towns took their rise in the immediate neighbourhood, or on the very sites, of the Roman ruins. Where social and physical conditions were alike favourable, there was, doubtless, considerable opportunity for regular trade. This had led to an increase of settled population, at the time of Domesday Book, in many of the places, which were, even then, called boroughs or towns, though they had but few of the characteristics which we associate with urban life. Even in mere external appearances they must have been very different from the towns we know. We are accustomed to streets of shops, in which stores of finished goods are exposed for sale, but of shops in this sense there were probably few, if any, outside London. Stocks of goods were only exposed for sale at the annual fairs, which were arising in different parts of the country, and the artisan who lived in a town would expect his customers to provide the materials for his work. It is still more strange, according to our ideas, to find that householders in towns were engaged in rural occupations. Thus the sheriff of Cambridge, at the time of the Domesday Survey, was guilty of extortion in requiring too frequent

use of the townsmen's teams; while the inventory of Colchester in 1296 gives us a picture of a distinctly rural community.

A still more curious feature of town life is revealed by the entries in Domesday Book, for even the principal towns show little, if any, trace of common municipal life. We find, instead, abundant evidence of conflicting jurisdictions. In some, it is clear, that there was a large Norman or Flemish population—such as the *francigenæ* of Shrewsbury and Norwich—who did not always pay the same taxes as other townsmen or conform to the same customs. In many places, two or more houses in a town appear to have been attached to and taxed with a neighbouring estate. These conflicting responsibilities and jurisdictions in one thickly inhabited area seem to us very strange; but it may be well to remember that even the City of London was a curiously composite body, in which each ward had a singular independence as late as the time of Edward I.; while it was only in 1856 that the separate jurisdictions of the boroughs of Canongate, Portsborow and Broughton were merged in the City of Edinburgh. It would be most interesting, if it were possible here, to trace in detail the growth of that common town-life, which gradually found expression in common municipal institutions.

34. In so far as we find traces of its growth, first in one place and then in another, it is marked by the obstacles which the townsmen had to encounter, and from which they endeavoured to procure their freedom. Where the town was a populous centre on the lands of a single manorial lord, the inhabitants had a common interest in purchasing their freedom from the interference of his officers. They might desire to be free from the obligation to contribute for

The struggle for chartered liberties. Inter-municipal commerce.

the ploughing of his lands, and the men of Leicester obtained this freedom by a charter from Earl Robert in 1190. Many might desire to be free from such a restriction as that of grinding their corn at the lord's mill; the men of St Alban's had not obtained freedom to use hand-mills of their own in 1381, and the right was still in dispute at Manchester during the last century. There were all sorts of minor matters of police jurisdiction and of sanitary regulation, about which the townsmen preferred to be free to legislate for themselves. On all these points they won their freedom, bit by bit, as various rights were conceded to them in different charters by the manorial lords.

There were other rights which they desired to have, and for which it was necessary that they should approach the king himself. One such privilege was the right of being collectively responsible for the payment of the royal taxes. This freed them from the interference of the sheriff, and enabled them to assess the quota which each inhabitant should pay, as a house-rate, towards the common burdens. They were also glad to exercise powers of jurisdiction among themselves according to their own customs, and thus to be free from judicial interference from without, in the ordinary business of life. And, besides this, they were desirous of being allowed to associate themselves for certain trade matters, and to have their own *gild merchant*. These various rights were highly coveted; and they were secured sometimes in larger, sometimes in smaller, degree by royal charters, for which a substantial contribution to the royal exchequer had generally to be paid. The era of the Crusades, when the king and the great lords were eagerly endeavouring to raise money, was a period when very many charters were procured, and when some populous places attained the status of self-govern-

ing towns presided over by their own elected officer, the *Mayor*.

Similar causes were at work over a great part of Christendom in the twelfth century, and gave rise in all lands to a new and vigorous urban life. The institutions which grew up at this time are so much alike that instructive comparisons can often be drawn in regard to the details of their administration. This resemblance was so close that intercourse between towns for business purposes was possible. The mercantile customs and the methods of recovering debt in one town were much the same as those in vogue in another. But though similar in type, each separate borough had well-defined privileges of its own, and heavy burdens which its own inhabitants were called upon to bear. Each had its own documentary history, consisting of a series of charters, by which its special privileges were conceded or confirmed. Each was a self-centred independent body, though it might have frequent relations with other similar bodies. And as these towns were trading centres, the commerce of the day took something of the character of the social groups in which it was carried on, and may be fitly described as *municipal* or *inter-municipal* trade.

35. The towns, like the manors, were called upon to pay for the defence of the realm, and many of them obtained the dignity of this fiscal responsibility about the end of the twelfth century. The inhabitants were collectively responsible for the *ferm* of the town; besides incurring a large fine to procure the charter which secured them this right, they were under an obligation to make an annual payment to the Exchequer. The various burgesses contributed a house-rate, and they obtained immunity for their travelling merchants from the exactions which were

Fiscal contributions and internal administration.

often levied by local authorities in the places they visited. They were very strict in the exaction of their own rates, and very jealous of admitting any one to the advantages of their town, who did not share, as an inhabitant, in its burdens. The earliest town laws are directed against *upland* men and other outsiders, and against any inhabitant who under the guise of a partnership shared the advantages of his position with them and *coloured their goods*. This jealousy is a striking and rather unpleasant feature in the life of these communities, but the danger against which they endeavoured to guard themselves was not imaginary. In the time of Edward I we find that the pressure of municipal burdens was sufficiently heavy to cause the migration of some of the inhabitants of Northampton to more favoured districts. In the fifteenth century it was found necessary to grant remission of taxation to many places, and it is generally admitted that the pressure of their taxes had a good deal to do with the distress of the older towns in the Tudor period, when new commercial centres were rising into prominence. The exclusiveness then, though apparently harsh, was exercised in self-defence; and it must also be remembered that townsmen were willing to welcome strangers as *tensters*, if they were willing to take a definite footing in the town, and to contribute to its expenses in a fashion that should correspond to the partial privileges to which such non-residents were admitted. But those who tried surreptitiously to evade these obligations aroused keen animosity, and this feeling was extended to such bodies as the Hansards, or the Jews, who lived in a town under royal protection, but were not of it, since they were not at *scot and lot* with the other inhabitants. These settlements of aliens, entirely exempt from local authority and responsible to the king directly, are among the last indications of conflicting privileges among the

residents within the City of London; comparatively little is heard of difficulties affecting them after the time of Edward I.

In his reign the internal government of the more advanced boroughs was in the hands of elected officials; the character of their business, the rules they enforced, and the penalties they imposed, may be most clearly seen from the printed records of such towns as London, Ipswich, or Nottingham. But there were also many cases where this internal jurisdiction had not passed out of the hands of the original manorial authorities, and where the desire of the townsmen for a fuller measure of internal self-government gave rise to bitter and sanguinary struggles. These occurred very frequently in the towns which had grown up under the patronage of some great abbey. There is an interesting agreement which closed the era of frequent riot at Reading in 1254. The disturbances at Bury in 1327 seem to have been more serious, but those at Norwich in 1272 were worst of all, and resulted in the burning of the Cathedral and the siege and storm of the city.

36. The town, like other social groups, had not only a fiscal and administrative side, it was also concerned with the maintenance of its own prosperity. It was as centres of commerce that the towns grew, and there is no doubt that the inhabitants especially prized the right, which we find in many Norman and Plantagenet charters, of obtaining freedom to associate themselves for the purpose of regulating their commerce. The grant of a *Hanse* or gild merchant gave them the character of an important commercial unit, which could enjoy a share of trade, both local and distant. At the same time it is not easy, despite Dr Gross's unwearied investigations, to determine the exact functions of these bodies. Though the gilds were so closely connected with the town authorities, that

Gilds
merchant and
weavers'
gilds.

their precise spheres are difficult to discriminate, they do not appear to have had a judicial character in English towns, or to have been in a position to settle disputes between merchants. They were certainly eager to guard against any encroachment on their privileges, but it is not quite clear what these valued privileges were. It seems that they exercised a general regulation over the manner in which trade was conducted. The conditions of buying and selling, and to some extent the quality of goods, as well as the nature of weights and measures, came within their purview. They were doubtless able to enforce the methods of dealing, which they believed to be for the interest of the town, upon all their members, and they were also able to prevent persons who were not members from carrying on regular dealing there, although the latter might probably visit the town on market-days and at fairs. But it seems probable that these guilds had also another side, and that they were found useful for the purpose of collective trading. When foreign ships visited a town, it was advantageous for the inhabitants to refrain from bidding against one another, and to make one common purchase, which they could afterwards divide among themselves. The right of *cavel* or of having a share in these common purchases is more easily traced in the laws of Scotch than of English towns. But there is evidence that a similar right existed at Chesterfield in 1294, and subsequent cases of town trading, whether they are survivals or only accidental revivals of a former practice, throw interesting light upon the conditions which would render such an institution desirable. Town purchases of coal were frequent in Dublin in the seventeenth and eighteenth centuries. Many towns made provision for a food supply by means of granaries in the sixteenth and seventeenth centuries, and the town mills of Edinburgh were an important

part of corporation property until comparatively recent times. But whatever direct pecuniary advantages may have accrued to a townsman from membership of the gild—and the gild did not embrace all inhabitants, while it might include non-residents as members—it certainly conferred a status, which made him a person of credit. There was a substantial body behind him to which appeal could be made in case of default, and the increased security and smoothness of trading transactions would go far to account for the anxiety of many towns to possess their own gild.

Besides these town gilds, we hear in the twelfth century of several gilds in different places, composed of men who followed some particular trade, especially that of weaving. It is not a little remarkable that they should occur in a trade which was not a separate business, but a part of the women's household duties during the Early English period; weaving was, however, already practised with considerable success in Flanders, and many immigrants from that country settled in England within a century of the Conquest. Whatever may have been the origin of these gilds we find that the relations of their members with other townsmen were by no means friendly. It seems more probable that they were separate associations of aliens, authorized and protected by the Crown, than that there was a large class of native English weavers at this time, who found it desirable to develop such institutions on their own account. The story of the weavers' gild in London, of its long independence and eventual submission to the City authorities in 1321, appears to bear out this view of the situation; but it is also noticeable in regard to these early industrial gilds that they occur in trades where authoritative regulation was enforced. Bakers' gilds are as early, though not so widely diffused, as weavers' gilds. The bakers' gild of Coventry has an unbroken existence from

the sixth year of king John. The Assize of Bread and the Assize of Measures are among the oldest English regulations for the weight and size of goods : and it may be questioned whether the origin of these industrial gilds was not due rather to the need of local administrative powers than to the principle of voluntary association. At any rate, if they were formed by association, we can see one reason why they were favoured and fostered by the central authority.

37. Such, on the whole, was the character of the towns and of their institutions in the time of Edward I. The more we read of their intercourse, the more striking is the self-contained character of each borough, and its exclusiveness against *foreigners*. It is, in itself, strange to find this word used habitually for men who were foreign to the town, whether they were aliens, or Englishmen from other places. The legal position of a trader from Norwich at Stourbridge Fair, near Cambridge, was precisely similar, for business purposes, to that of a trader from Bruges or Rouen. A common Merchant Law was recognised in all these places ; and this, rather than the law of the realm, governed transactions. In each case the *communitas* to which he belonged was looked upon as responsible for the good faith of a merchant, whether he hailed from an English or from a Continental town, so that, at first sight, there would seem to have been little connexion or common feeling between English towns as such.

Affiliation
and represen-
tation. Na-
tional control
of commerce.

But there were, after all, close ties of connexion between the various towns. The customs which each maintained were not an independent creation of its own. Each of the later boroughs obtained privileges in its charter which were not enumerated in detail, but which were described as being precisely similar to those of some other place. In this way we

can *affiliate* the various boroughs to one another, and trace their institutions back to a common stock. Thus Derby derived its custom from Nottingham, Nottingham from Coventry, Coventry from Lincoln, and Lincoln from London. In some cases the daughter town might deem it wise to appeal to its mother for advice, as to the interpretation of the custom. In some of the Continental cities the filial relation appears to have involved a direct subordination which was not in vogue in England. Still, the filial relationship enables us to trace out distinct family trees, which lead back to the several original types of city custom which are found in London, Bristol, York and Hereford. The towns on the Welsh Marches followed the custom of Hereford; those of Ireland that of Bristol; while the custom of London, as adopted at Winchester, was more widely diffused. It was followed, not only by many towns in the South, but also by Newcastle; and from Newcastle it passed to be the common custom of the boroughs of Scotland. In their earlier history and before the Scottish War of Independence, the analogy between Scotch and English boroughs is very close; but, in their later life and institutions, the Northern towns were greatly influenced by French and Flemish usages, and followed a line of development different from that of municipalities south of the Tweed. By far the largest number of English towns followed the model of London, which was the source whence a common body of municipal regulations spread to two-thirds of the commercial centres of England. A common custom, which was so generally enforced by municipal authorities, had an influence nearly as great as that exercised by Parliamentary enactments in later reigns. Indeed it may be said that a great deal of the early legislation for trade did not take the form of devising new expedients, but rather of giving wider scope to regulations already recognised in many localities or

which formed part of the custom of London. The seven years' apprenticeship enforced in 1563 may be specified as a case in point.

The affiliation of their customs connected many of the English towns with one another; but they were also connected by a common interest, since each was a large contributor to the expenses of the realm. Besides the regular payments which they were bound to make from year to year to the Exchequer, occasional demands were exacted from them in special emergencies, e.g. when war broke out. The most remarkable event of the reign of Edward I was the formation of a Parliament to which the towns sent representatives, and in which "what concerned all could be approved by all." The summoning of Parliament gave the towns an opportunity of making their united voice felt in regard to the subsidies they could be called upon to pay, as well as in regard to the rates at which customs should be charged on exports like wool, or imports like wine. The organisation of representative government was important in many respects, and certainly had far-reaching effects on English trade. By the time of Richard II, the towns were strong enough to make themselves felt as the principal factors in controlling the commercial policy of the realm. In his reign and subsequently, the regulation and direction of English commerce depended far less on the wisdom shown by separate municipalities, than on the decisions taken for the nation, as a whole, by a national Parliament. From the fifteenth century onwards, the main responsibility, for securing the well-being of English industry and for promoting the development of English commerce, was gradually transferred from municipal authorities to the national Parliament and to executive institutions, which, whether localised or not, derived their authority from the central assembly.

But the growth of Parliamentary power at the expense of municipal authority was very gradual. In the fourteenth century, at all events, the sphere of Parliamentary government was still so limited that it did not overshadow local powers; and we find new and active developments of municipal institutions under the Edwards. Some towns continued to flourish in the fifteenth century, but there were many vicissitudes in their story; the Black Death must have been a serious blow to the prosperity of many places. Troubles connected with the Peasant Revolt and the Wars of the Roses must have injured others; and we cannot be surprised to find evidence, in Tudor times, that many of them had fallen into great decay, both materially as regards their streets and houses, and socially as regards their institutions. But when English commercial life was reinvigorated in the time of Elizabeth, we can note more distinctly how much Parliament had advanced in power, and how far town institutions had fallen into the back ground. This general statement of the course of the change becomes clearer when we look at one kind of institution in greater detail.

38. The towns had come into being as centres of commerce; in the fourteenth century we find evidence that they had so far advanced as to be centres of industry, and that a corresponding modification of their institutions was becoming necessary. This may, perhaps, be most justly described as the specialisation of the gild merchant into several new bodies which were known as *craft-gilds*. The distinguishing feature of a craft-gild was not merely that its members all practised one and the same craft, but that they had authority to supervise that craft within some definite area. The privilege was sometimes granted by the king, or by some outside power, as in the case of the Exeter

Craft-gilds
—their relation
to municipal
authority and
to Gilds Mer-
chant.

tailors ; but this was not a wise arrangement, as disagreements and disturbances were apt to arise in a town where any body of workers, united under royal patronage, were exempted from municipal authority in regard to all questions connected with the exercise of their calling. By far the most common type of craft-gild was that which derived its authority from the mayor, as chief magistrate of the town ; in such cases the rules made by the members could be constantly overhauled by the mayor in the common interest of the townsmen. Thus the cordwainers of Exeter had privileges granted them for one year at a time, and they were unable to enforce rules which had not been previously submitted to, and approved by, the mayor and aldermen. In the case of the bricklayers of Hull, we know of some ordinances which were disallowed by the mayor, and to which he would not agree. But, subject to this supervision, the craft-gilds had very extensive powers for the regulation of their trade. The wardens had the right of search, and exercised it to see that good materials were used, and that the processes of manufacture were properly performed. They also took measures to secure that workmen should be properly trained by serving a regular apprenticeship, and they made rules affecting the hours of labour and the well-being of those who were employed. The purpose of the institution was to insure, in the interests of the public, that work should be properly done by qualified men, and also to secure that such qualified men as did good work should be adequately remunerated. Throughout the fourteenth and the earlier part of the fifteenth century, the gilds appear to have fulfilled these duties successfully on the whole, although it seems probable that a large part of the urban population were unskilled helpers, deriving but little benefit from these industrial institutions, which were mainly

concerned with the work of skilled men of different grades.

The dependence of these craft-gilds upon municipal authority is clear enough. It is the distinguishing feature which separates them alike from the weavers' gilds of the twelfth century, and from the chartered and patented companies of later times. But it is far harder to determine their relation to that primitive municipal institution, the gild merchant or *hanse*, partly because the traces of this body in the fourteenth century are very slight and obscure. According to Dr Gross's investigations, it would seem that the gilds merchant had almost ceased to take an active part in the management of business in the fourteenth century, although they still continued to have a nominal existence, and were associated with civic pageantry, such as has survived in the gatherings of the Preston gild each twentieth year. At the very time when we hear most of the formation and growth of craft-gilds, we almost cease to find mention of those gilds merchant, which were so prominent in twelfth century charters. This serves to show that there was, at least, no violent antagonism between the two bodies in this country. Indeed it is far more probable that the craft-gilds were gradually established, as one or another craft developed, to carry on one part of that trade regulation which had previously been exercised more generally by the gild merchant. We should thus regard the craft-gilds as specialised forms of the gild merchant rather than as its successful rivals.

It certainly appears that the men who enjoyed full membership of the craft-gilds in the fourteenth century had a very similar status to that of the members of the gilds merchant in the thirteenth. They were craftsmen and dealers. As craftsmen they would have to buy materials and tools; as

craftsmen they would wish to sell the results of their labour, and therefore, as craftsmen, they had to take part in trading. There is no reason to believe that in twelfth century towns there was any class of store-keepers or merchants who did not practise some kind of manual calling; even the foreign merchant was probably a shipman. The members of gilds merchant in the thirteenth century were, in all probability, craftsmen first and dealers next, as far as the occupation of their time went. The list which Mr Hibbert gives of the Shrewsbury gild merchant seems to show that the members were not mere dealers. When any town increased so far as to have several men of the same calling, who were empowered by the mayor to form a craft-gild of their own, they would have less interest in the general business of the gild merchant. In some such way as this it would seem that most of the members of the gild merchant were formed into craft-gilds, and that these new bodies took over and carried out in detail the sort of regulation, which had been exercised by the same class, but in a more general way, through the gild merchant. The members of the craft-gild had a more effective instrument at their command, but they did not lose the status of members of the gild merchant, though that larger body had lost its importance.

39. The fourteenth century appears to have been the time when these craft-gilds attained their greatest influence and importance. Those in London were especially famous and enrolled various princes as *love-brothers*; but towards the middle of the century we find traces in that city of the formation of new bodies on similar lines, and composed exclusively of men engaged in dealing. They had, of course, skill to judge of the quality of goods, and to blend or sift the commodities sold. But they were store-keepers or ware-

The rise of
the Livery
Companies.

housemen rather than artisans. The most prominent and powerful of these companies was that of the Grocers, while there were others, like the Merchant Taylors, who were wholesale dealers rather than craftsmen. Similar trading companies, in connexion with the cloth trade, were found in Coventry and other provincial towns in the fifteenth century. Early in the reign of Richard II an attempt was made to insist on a specialisation of callings in London, and to prohibit those who were engaged in industrial crafts and those who were traders, from interfering in one another's business. The formation of these great *Livery Companies* of traders is of interest in many ways, but chiefly because it shows the rise of a class of merchant burgesses settled in the towns. The trade at fairs was declining, because it was being transferred from occasional to regular centres of commerce, and was simultaneously passing out of the hands of alien merchants who frequented fairs, into those of burgesses with exclusive town rights.

40. Other aspects of town life were not so satisfactory; there was some difficulty in defining the range of the authority exercised by each craft-gild. The various branches of the leather trade and the processes which fell within the purview of the tanners, the cordwainers and the saddlers were not easily kept distinct; and the confusion gave rise to much dispute between these bodies. Similarly, the claim of the woollen weavers to exercise jurisdiction over linen weavers was contested in London; and the different trades concerned in the manufacture of cloth seem sometimes to have formed separate gilds and sometimes to have been amalgamated into one, as at Coventry in the fifteenth century. It is difficult at this time to see the reason or to understand the bearing of these changes; but there were other disputes, in connexion

Fifteenth century difficulties between gilds, and with journeymen and apprentices.

with fifteenth century guilds, which present them in an unfavourable light. Journeymen, who had finished their apprenticeship, but who had not set up independent households of their own, appear to have resented their subordinate position, and in several cases formed combinations among themselves for a time. In the light of recent research it would appear that the journeymen in England, though less successful than their brethren on the Continent, formed many guilds of their own. They certainly had some temporary successes, and the struggle between the journeymen and weavers at Coventry appears to have resulted in an arrangement, by which the journeymen's guild was recognised as a permanent but subordinate society, which paid a contribution to the main organisation. These journeymen were of course skilled men, though servants, and it is not always easy to distinguish their history from that of unskilled helpers, who were doubtless a larger body in some trades, but of whose grievances little has been put on record.

We also hear of difficulties in connexion with the position of apprentices. Many obstacles hindered townsmen from procuring boys for service out of rural districts. The agricultural decay which followed the Black Death and the progress of sheep-farming caused some anxiety lest the area of tillage should be so greatly reduced as to furnish an insufficient food supply. A statute of Richard II and, more obviously, one of Henry IV were intended to prevent the migration of country boys to the towns, so that an available supply of rural labour might be maintained. Nor were these statutes a dead letter. The citizens of Oxford distinctly suffered from the restrictions that were put upon them, and failed to obtain an exemption from this legislation, such as was granted to London and Norwich.

But when the masters obtained apprentices they did not always do their duty by them. They did not always teach them properly, and there were some justifiable complaints on the part of apprentices about their *finding*. In Coventry when a master was twice shown to be in fault in this matter, his apprentice was transferred to some other man, and the master was not allowed to supply his place, at any rate not for a time. The apprentice was received into the master's house as a member of the family, and the latter was responsible for his good behaviour. The system thus formed an important element with regard to the police and good order of the town, while it was believed to give opportunities of discipline which were salutary, not only for technical training, but also for the formation of character. In this latter aspect the apprenticeship system is still highly valued by those who support its revival.

41. It appears that the influence of these associations for the maintenance of order had been considerably weakened before the end of the fifteenth century. At any rate they did not prove effective to control the apprentices under the new temptations to which they were then exposed. An incursion of aliens from Italy, who came to settle in this country, was taking place at this time, though it is difficult to assign any special or definite reason for the occurrence. Of the fact, however, there can be no doubt; and with it there was a new bitterness against alien workmen, which showed itself partly in municipal regulations and partly in riots fomented by the apprentices. The records of Shrewsbury show that the difficulty was felt far inland, but the most violent outbreak occurred in London in 1517, on what was long remembered as 'Evil May-day.' The City authorities seem to have been quite

Craft-gilds
under Henry
VII and Henry
VIII.—Na-
tional control
of industry.

helpless in the matter, and the populace, incited by a preacher, made an organised attack on the aliens.

There were other sides on which the craft-gilds were failing to discharge their public duties. From the accounts which we have of the formation of the gilds in London, it is quite clear that though the members desired to have exclusive powers, they would not have been entrusted with them, had it not seemed probable that these powers would be used in the public interest, and would help to secure a high character of work, and good quality of wares. Early in the time of Henry VI, however, there were complaints of "the unreasonable ordinances" passed by the Companies. Whether from lack of power or from lack of will the municipal authorities seem to have been unable to control them properly, and in 1504 a statute was passed which did not aim as in 1437 at re-enforcing municipal powers, but rather superseded them and placed the local craft-gilds directly under national supervision. The judges were to decide on the ordinances which might be allowed, and thus a double check was put on the self-interested action of these gilds, where it became injurious to the public. Even these checks seem to have been insufficient, and complaints became more common and more bitter. In York, in 1519, the Mayor resumed the powers of jurisdiction hitherto exercised by the gilds, and reduced them to the position of official informers in his court, while the regulative statutes of Henry VIII show that the grievances, both of apprentices and of journeymen, continued.

To some extent these misdeeds brought their own retribution upon the towns. Journeymen who might not set up independently in the towns where they had served their apprenticeship, were inclined to migrate to other places. This tendency was marked among the clothiers of Worcester,

the rope-makers of Bridport, and the coverlet-makers of York. It may, in part, have been due to the burden of taxation and the pressure of the rates in these towns; but as it continued, the difficulty of making these payments was seriously increased, and an attempt was made, in the fiscal interest of the country, to check the migration. The tendency was so strong, however, that the story of urban life in the sixteenth century is rather that of the growth of new industrial centres in suburbs, or on manorial estates, than of any increased prosperity in the towns organised according to the old model. The decay of the older towns reacted unfavourably in turn on their institutions. A statute of Edward VI seems to have limited the powers hitherto enjoyed by the guilds of fixing wages and prices, and the property which they had devoted to religious purposes was confiscated in the same reign: they were not dissolved, but the time had come when they failed to subserve an important economic purpose, and they only survived like the guilds merchant in occasions of hospitality or pageantry. By the reign of Elizabeth, the municipal control of trade and industry had been superseded by institutions which emanated from national authority, even where they chiefly served to protect some locality from the immigration of aliens (§ 64).

CHAPTER V.

THE BEGINNINGS OF NATIONAL ECONOMIC LIFE.

42. IN the preceding pages attention has occasionally been directed to the many signs of a national life among the English; from early times the king was the centre of the nation, around whom they rallied in the defence of the realm.

The personal influence of the Kings. Continental connexions.

In the Norman period the king and his Exchequer are clearly in view. They provided the centre of the whole social system, and the sheriffs, in rendering their annual accounts, formed the connecting link between each separate manor and the authority which ruled over all. The king was also the greatest of all landowners, and all questions of manorial management were of importance to the Crown. He was expected 'to live of his own,' and the royal estates, when well managed, supplied the regular income which was required for administrative purposes in ordinary times. He was also the source of judicial authority, and by the discharge of its fiscal obligations each estate was brought into contact with his officers. Not only was he a typical landlord, but his office was the unifying principle, which combined the separate isolated independent elements into one whole. The personal character of the

king and his personal policy made itself felt in all relations of life; if the king was too weak to enforce order, the public suffered from private wars or from the exactions of petty oppressors; if his policy was unwise, he might burden the land with excessive, or too frequent, taxation; if his administration was bad, he might fritter away the royal resources and leave the Crown impoverished. The reign of Henry III is an instance of both these latter forms of mal-administration, which were alike oppressive and wasteful.

While there was no side of social life and no place in the realm which was unaffected by the influence of the Crown, there was one department which was most directly within the control of the king. All matters of foreign policy, whether of peace or of war, were in his hands, and therefore the manner in which communication was conducted between England and Continental countries was especially under his control. Dynastic alliances and foreign ambitions brought England from an early time into contact with the Continent. King Offa made our earliest commercial treaty, when he secured privileges for English pilgrims and merchants by his treaty with Charles the Great. At the beginning of the tenth century the daughter of Alfred cemented the connexion between England and Flanders when she granted the manor of Lewisham to the great Benedictine monastery at Ghent. The power of Cnut brought England into closer commercial relationship with Iceland and Norway, as well as with Denmark. The Norman Conquest strengthened the ties with Normandy and Flanders, and the Angevins established a connexion with Gascony. The carefully organised intercourse with the Low Countries was developed through the influence of Matilda of Flanders, while the regular import of wine from the vineyards of Bordeaux seems to have originated in

Plantagenet times. The enterprise of Richard Cœur de Lion and the part which he took in the Crusades first introduced English seamen to the waters of the Mediterranean, and stimulated commerce in the products of the East. John and Henry III are mainly responsible for the firm hold which the Papacy secured in this country and for the heavy taxation which it levied. Thus for good or for evil the royal power was for centuries directly responsible for the economic relations between England and Continental lands.

43. Along with these early trading connexions we find some signs of a definite commercial policy.

It was desirable to encourage foreign merchants to import the products and manufactures of other countries, so as to make up for the deficiencies of our native resources; and

Regulation
of foreign com-
merce and
progress of in-
ternal develop-
ment.

the settlement of the men of the Emperor in the Steel-yard in London before the Norman Conquest shows that English kings were glad to give facilities for import trade. Evidence from the same period is forthcoming as to the principle which guided them in regulating the export trade. If the raw products of this realm could be exported at profitable rates, it was desirable to send them abroad. But, from the point of view of the times, there was no object in forcing an export trade unless it was really remunerative; even before the Conquest limits were fixed and a minimum price was settled, at which goods might be exported; if they did not fetch this, it seemed wiser to keep them at home. When we remember that the products of England were the necessary materials for food and shelter, and were not of a nature to spoil by keeping, we may be better able to sympathise with the desire to afford Englishmen an opportunity of procuring these things on easy terms, and to insist on making foreigners pay a considerable equivalent for them before

they were sent out of the country. The same principle governed much of Edward III's legislation for the wool-trade, and in one form or another affected a good deal of medieval legislation.

So far as internal regulation goes, the direct influence of the Crown was less important economically, but there were various ways in which it initiated change. The influence exercised by foreign artisans on the development of our industries has already been alluded to, but it was with royal approval that they settled here, and under royal protection that they obtained privileges.

Again, each of the several steps of progress taken by the towns received sanction from the Crown; for it was by means of royal charters that they secured the powers of regulating their own internal economy in the twelfth and thirteenth centuries. In some cases, perhaps, enterprising townsmen seized an opportunity afforded by royal necessities, but the foundation of free towns by Edward I seems to have been directly due to royal initiative. The earliest regulations affecting weights and measures or the quality of goods also seem to have emanated from the Crown. Henry I is credited with the introduction of more definite standards, and with the punishment of the officials who brought the royal honour into discredit by diminishing or debasing the coinage. In the time of Henry II we have an Assize of Bread, based on the experience of the royal bakers, and establishing a sliding scale which fixed the proper weight for a farthing loaf according to different prices of corn. As early as the time of Richard I there was an Assize of Measures, which, among other things, settled the length and breadth of the pieces of cloth exposed for sale, and subsequently an *aulnager* was appointed to supervise it. This may not improbably indicate that there was even then some demand

for English cloth abroad, but at any rate it serves to show that in very early times, when industry was least centralised and local groups were most isolated and self-dependent, the central authority was not indifferent to matters connected with foreign commerce or internal production. From the time of Edward I, however, when Parliament took shape, this central influence became much more striking, and it has gradually superseded manorial and municipal powers in the regulation of affairs of every kind.

44. English national life was carefully consolidated in the time of Edward I. His general policy was to abstain from attempts at Continental aggression and to strengthen the realm of England. His successes in Wales and his less successful attempts in Scotland were all parts of the same scheme for making his authority effective over the whole of Great Britain. And as he endeavoured to reduce the whole area to subjection, so he desired to get rid of extraneous and unpliant elements. The constitution of the towns in his day seems to show that most of the foreign settlers were absorbed into the ordinary society of the places where they lived. The Jews, whose religion and habits forced them to maintain an exceptional position, were expelled from the country at a considerable sacrifice to the revenues of the Crown, while Papal authority was repudiated when, as in the case of the alien priories, it interposed to check the royal demands. And while national unity was thus consolidated, national institutions were also improved. The creation of a Parliament, which came to include representation of the boroughs, was less important for what it immediately effected than for the steady development of national self-government which it rendered possible. Some of the contemporary measures, which afforded police

Edward I.
National
unity and
national
institutions.

protection for traders, were not despicable. The Statute of Acton Burnel (1283) did not create a new machinery for the recovery of debts, but it gave a new character and a national importance to the arrangements which had hitherto existed locally by the custom of various towns.

Besides creating these representative institutions, Edward I showed that he possessed real administrative genius. The changes which took place in the constitution of the towns during his reign gave the municipal authorities a more complete control over the various discordant elements within their walls, and diminished the occasions of quarrel with other authorities. He also established a new fiscal system ; he specified the definite ports through which trade should flow to and from the realm, and he appointed *customers* whose business it was to collect the duties which traders had to pay. During his reign the central authority was brought to bear, so as to give immensely improved facilities for internal trade.

45. When the realm was thus consolidated and when its national life was regulated internally, it became more possible to develop a commercial policy, and to make systematic arrangements for foreign trade. This change becomes noticeable in the time of Edward III. He had a vigorous foreign policy, and apparently indulged in dreams of continental conquest, while there can be little doubt that trading and commercial considerations helped to determine the form of his contest with the French king. England and Flanders were closely bound together by common industrial interests, as the former supplied the raw wool which the Flemings manufactured, dyed, and dressed ; and a considerable number of these skilled artisans found it advantageous to emigrate to England in 1331 and 1336. Had

Edward III.
Foreign and
commercial
policy.

the English king been successful in establishing a claim to the French crown and in obtaining suzerainty over the Flemish towns, the leading burghers would have warmly welcomed the political connexion with England. In a somewhat similar fashion the English provinces in the South of France supplied wine and other products, which England could not produce satisfactorily from her own soil. Edward's desire to be acknowledged king of France becomes more intelligible when we see that thus he would have secured a complete and independent sovereignty over this wine-growing district. It seems to have been his design to bring the South of France and the manufacturing districts of Flanders into close connexion with England by common subjection to the English king; thus he would have laid the foundations of a great commercial empire, each part of which would have supplemented the requirements of the others. To establish and maintain free intercommunication between the different parts of this empire, it was desirable to assert the king's peace upon the sea, and to diminish the risks which traders underwent from the attacks of pirates. On some such grounds Edward III put forward this claim to the sovereignty of the sea, and gave it expression by the issue of the noble—a gold coin which was meant to circulate in Flanders as well as in England.

His conduct confirms the view that some such scheme floated before the minds of Edward and his advisers; and the manner in which he asserted his claim to the crown of France, and then failed to press it when the country lay at his feet, seems to show that conquest of additional territory was not, after all, his main object. When the treaty of Bretigni was signed in 1360, circumstances had so far changed that he did not stand out for the scheme described above, in its entirety. He appears to have been satisfied to pur-

chase immunity from Scotch attacks by sacrificing his pretensions in Flanders ; but his schemes appear to have been statesmanlike, and so much progress was made in his reign as almost to justify the appellation which he afterwards received of ' Father of English Commerce.'

46. In so far as this view of Edward III's foreign policy is correct, it serves to explain the line which he pursued in dealing with aliens in England. Alien merchants had always been welcomed in this country, so long as they furnished the realm with useful products from abroad, and while they confined themselves to wholesale trading and did not compete with Englishmen in retail and internal trade. Under Edward III, who desired to encourage frequent intercommunication with Flanders and Gascony, the privileges of aliens were interpreted in the largest sense, so that the whole of the shipping trade of the country fell into their hands, while they also intruded in much of the internal business. The invitation and encouragement extended to weavers from abroad, and also to men who practised other callings, may all be regarded as part of the same policy. It seems, however, to have awakened among Englishmen a decided jealousy of aliens. This took effect in the following reign, when the reaction against the policy of Edward III made itself felt in many ways, and obtained the support of Parliament and the assent of the Crown.

There was one direction, however, in which the influence of Edward III and the legislation of his reign was much more permanent. He revived and reorganised more completely the institution of staple towns to which all English products should be consigned, and in which the English merchants of the staple should do their business with continental traders. Such staple towns had been a common system of

mercantile policy from the earliest times. Carthage was a staple town for the products of the Western Mediterranean and of a great portion of Africa: the trading cities of Italy, Greece, and the Ægean were forced by Carthaginian fleets to frequent this staple, and prevented from dealing directly with Spain or with the other lands which lay within the sphere of their influence. In a somewhat similar fashion Bergen was a Norwegian staple, whither the products of the Northern Seas were brought, and where other European merchants were forced to buy them, if they wished to enter on this line of trade at all. The concentration of trade at a single point was certainly convenient for the collection of revenue, and the customs derived from the staple commodities were, throughout the fifteenth century, a very important item of the royal revenue. But the organisation of staple towns would scarcely have been so general and so long continued if it had not been advantageous from the merchant's point of view as well as in a fiscal aspect. When the streams of commerce were feeble and intermittent there was a real advantage in concentrating them in one channel. Buyers and sellers were each more sure of a good market, while they could hope to sell and to purchase goods on satisfactory terms. It was possible too to provide rights and privileges which rendered the merchant's goods and warehouse secure from arbitrary exactions, and which gave him the means of recovering his debts by simple legal processes. Though they finally adopted it, there is reason to believe that Edward III's advisers were not clear as to the advisability of the institution in the earlier period of the reign. Even after the staple was reorganised in 1353, there was still some doubt as to whether it was wiser to fix on an English or on a Continental town as the depot for English goods. Eventually the problem

was solved by assigning the position to Calais, an English town across the Channel; and the merchants of the staple formed the first of the great Companies of English merchants who had special privileges assigned them for carrying on one branch of foreign trade. They dealt in the four staple commodities, wool, wool-fells, hides, and lead—all, as may be observed, raw products—and they shipped them to be disposed of at the staple town of Calais. Their work continued to be of real importance, although it diminished somewhat as the English advanced in the knowledge of industrial arts, and ceased to export raw products so largely, because they worked up these materials within the realm. The loss of the town of Calais put an end to their active trade there, although the merchants continued to have a certain status. The Company, though shorn of its former glory, is not even yet extinct.

47. With the reign of Richard II the national economic life of England seems to enter on a new phase. Various causes were at work which were tending to transfer the business of the country from the aliens who carried on the trade at fairs, and to place it in the hands of English merchants who conducted their business at their houses in the towns. A class of wealthy native merchants was coming into notice, and they were powerful enough to make their influence felt in the proceedings of Parliament.

Attention has been called in a previous paragraph (p. 69) to the personal influence exercised by the king, but the end of the fourteenth century was the time when an effective public opinion began to influence economic legislation. This may be noticed in the Good Parliament of 1376, but it seems to have exerted itself more successfully in the reign of Richard II. As time went on there came to be occasions

of grave difference between the economic policy which commended itself to the public opinion of the country and that which was pursued by the king and his advisers. But in the fifteenth century Parliament and the Crown appear on the whole to have co-operated together; though the personal character of the king was no longer of such exclusive importance. There are some signs of a real public opinion from the time of Richard II onwards—not necessarily the opinion of a large public, but one that embodied the common opinion of local aristocracies of wealthy burgesses.

By the time of Richard II, too, the process of superseding local by national administration, which has been described above (p. 59), had gone a considerable way. It was much more possible to enforce similar trade regulations in all parts of the country, and even to carry out a similar trade policy, than it would have been in the days of Richard Cœur de Lion.

48. But most important of all, we see that the policy which was pursued by Edward III was definitely discarded by his grandson; and we find indications of another course, which, when finally adopted and regularly pursued, was known as the Mercantile System. There is, however, no evidence that it was consciously thought out and deliberately followed before the time of the Tudors.

Plenty and
Power.

Probably different parts of the system were introduced under immediate pressure, and because they favoured the aspirations of English merchants. Even when thus fitfully adopted, the new policy amounted to a deliberate rejection of the methods approved by Edward III. In later times, when it was completely systematised, as for example under the Tudors, it is seen to be a commercial policy which aimed not merely at securing plenty of foreign products,

but also tended to increase the power of the realm. This, as Bacon saw, was the crucial difference; Edward III, by favouring the easy access of alien merchants, pursued a policy of *plenty*, since they brought large quantities of foreign goods in their ships; he imperfectly anticipated the free trade policy of England at the present time, which aims at securing plenty of foreign food and foreign materials for English consumers. Those on the other hand who advocated the mercantile policy, aimed at promoting the political *power* of the realm, and were ready to subordinate the convenience of producers and to sacrifice the comforts and tastes of consumers to this great national object.

This was the one great aim which more or less consciously dominated our economic policy for centuries; when we bear it steadily in mind, much of the fidgety and petty legislation of the seventeenth and eighteenth centuries becomes intelligible, even if we still regard it as unwise. The Mercantile System, as completely thought out, rested on the principle, not of fostering industry and commerce for their own sakes, but of trying to guide them into such directions that they should subserve the political power of the realm. Similar schemes were in vogue in different countries, in Spain, France, Holland, and elsewhere, but the special form which economic policy took in our case was due to the special conditions of our national life. An island realm can only be strong either for defence or offence when it is a naval power; and hence, the development of our shipping and the encouragement of our commerce gradually came to be the most prominent features in the economic policy of the realm.

There are three elements in political strength which may be considered in turn. First, sufficient food must be procurable to provide for the maintenance and rearing of a

well-nourished population from which soldiers and sailors may be drawn : secondly, a sufficient supply of money or treasure must be available in the royal coffers to meet any emergency, and this in a realm that has no mines can only be amassed by the careful regulation of industry and trade ; last and not least in the case of England, it has been necessary to develop shipping with its subsidiary employments. Great pains have been taken at different times to strengthen the country on all these sides. It is not possible to separate them altogether from one another, for each factor in our industrial life has had a double bearing, and success in one direction has often reacted favourably on another. Thus (i) the obtaining of an adequate food supply, (ii) the progress of industry, and (iii) the development of commerce were partly pursued as independent objects, but there was also (iv) an underlying policy, which insisted on treating them with conscious reference to the offensive and defensive strength of the realm. Keeping these main points in view it may be convenient to deal with them in turn, and to indicate the various ways in which the strong hand of the central authority has exercised its influence on each.

CHAPTER VI.

THE VARIOUS SIDES OF NATIONAL ECONOMIC LIFE.

I. The Food Supply.

49. THERE were special circumstances in the time of Richard II and in subsequent reigns which gave rise to anxiety with regard to our food supply. The disorganization of rural society and the increase of sheep-farming, which ensued on the Black Death, seemed to threaten wide-spread disaster. If the land were allowed to go out of cultivation, it would be impossible to procure sufficient corn for the subsistence of the people; and hence we have a succession of legislative measures which were definitely intended to promote tillage.

The migration of the rural population.

Among the earlier regulations of this sort were restrictive laws, which were devised to prevent the migration of the rural population to the towns. This may have been, to some extent, a military precaution, as it was generally believed that an outdoor country life was favourable to the development of a population, which should be physically capable of rendering effective service in time of war; while the depopulation of the coasts was also a military danger, since the sheep and their shepherds could offer no effective

resistance to the landing of a hostile force. But the main object of the measures, which restrained the country people from migrating to the towns, was that of maintaining sufficient rural labour to carry on cultivation. Although, in some cases, those who were ready to work were evicted to make room for sheep, yet in the fourteenth century it was a matter of more common complaint that labourers could hardly be obtained in agricultural districts. There is much said in the present day about the flocking of the rural population to the towns, but it is not a new phenomenon; for active efforts were made to check it nearly five centuries ago. In the time of Richard II legislation only affected adult labourers, but under Henry IV and Henry VI stringent measures were passed to prevent the children of rural labourers from becoming apprentices. Efforts were made to keep the rising generation on the soil; that these measures were not inoperative is shown by the complaints of the men of Oxford as to the decay of their trades, and by their fruitless efforts to obtain exemption. In the great Statute of Artificers (1563), this principle was incorporated. Special facilities were given for training boys to those employments which were subsidiary to agriculture, if not to agriculture itself. And the distinction was so far maintained and acted upon that this point was noted as an important factor in the decay of the domestic system, and the growth of factories as late as 1804¹.

50. Another method of favouring tillage and preventing the development of sheep-farming is found in the statutes restricting the number of sheep which any one man might possess. Two

Restrictions
on sheep-
farming.

¹ Mr Cookson of Leeds argued before a Committee of the House of Commons that it was desirable to modify the Act of 1563, so as to favour apprenticeship to the clothing trades in rural districts.

thousand was regarded as an outside limit in the time of Henry VIII, and Edward VI expressed himself personally in favour of such a course. But it is difficult to see how a statute of this kind could be enforced, since evasion was not difficult. Another series of measures with a similar object was also enacted. These rendered land-owners responsible for re-erecting any houses of husbandry that had fallen into decay within a given period. The most celebrated of these measures followed on the official enquiry of 1517, which disclosed a considerable amount of depopulation during the previous twenty-eight years. Similar measures were passed under Elizabeth when the price of wool was, on the whole, very high. In 1592 it had dropped, and with the lowered price of wool Francis Bacon thought that the motive to depopulate no longer came into play. In the five following years, with a higher price there was some recrudescence of the tendency, but it appears to have so far ceased to operate in the early part of the reign of James I that such restrictive measures were no longer necessary.

51. Other schemes for the encouragement of tillage were also organised and maintained: the favourite expedient in the Elizabethan time aimed at securing that the farmer should have a remunerative price for his corn. The traditional method of securing cheap food had been embodied in Solon's legislation and prohibited export; but in a country where there was any choice about the kind of cultivation or the extent of cultivation, such restrictions were apt to defeat themselves. A wiser course, suggested as early as the time of Richard II, was that of giving greater liberty for export, especially when corn was unusually cheap. In this way the farmer could count on getting a remunerative price even in very plentiful years. This line of policy was embodied in the celebrated Corn

Maintenance
of the high
price of corn.

Bounty Act of William III (1689), which appears to have accomplished its object with wonderful success. Probably corn was not as cheap as it would otherwise have been, especially in plentiful years. But the price was kept exceedingly steady at a moderate level, which yet afforded an ample profit to the agriculturist. Under these circumstances he was encouraged to farm on a larger scale and by improved methods; so much land was thus brought into cultivation, that even in unfavourable seasons there was a sufficient supply of native grown corn and the price rose but little.

52. Well adapted to its ends though this policy appears to have been, it could not be indefinitely pursued. It was only practicable when a large area of land was available for cultivation at a moderate expense. When population increased, and with it the demand for additional food, this could not be remuneratively procured from England alone. Till 1773 England was able to supply her own wants entirely, and generally to send some surplus corn to Sweden and other countries. But from 1773 to 1793 there was a period when the demand and the supply were almost equally balanced; when there was very little export of corn, and when importation was often necessary (§ 118). From 1793 onwards the change was complete, and England became permanently and regularly dependent on foreign countries for a supply of food. The problem of national subsistence thus assumed a new form, and the Corn Laws, which had been devised for entirely different circumstances, ceased to serve their purpose.

Changed
conditions of
corn-growing.

53. In the last decade of the eighteenth century the difficulty of procuring sufficient food for the population of England made itself felt in the severest fashion. There were

several successive seasons of exceedingly bad harvests ; and during the time of war, it was almost impossible to procure from foreign countries the supply of corn which the nation now required, even in fairly good years. The distress of the labouring poor was terrible, and all sorts of expedients were devised to meet it. Some benefit may have accrued from the efforts which were made by the wealthy to restrict the consumption of corn in their households ; thus the inhabitants of Kensington on one occasion decided to abjure pastry. But, after all, such devices, though testifying to a wide-spread sympathy for the poor, would add comparatively little to the stock of corn available for their support. There was a general demand, which found favour in many quarters, for the regulation of wages by a sliding scale, so that the working man might have more power of purchasing food ; but this scheme, though plausible, was felt to be impracticable as a measure of relief. It would only increase the effectual demand for corn, even at a high price, and thus tend to drive the price higher and higher with each new advance of wages. The method eventually adopted was fraught with disastrous consequences in pauperizing the rural population. This was the system introduced by the Berkshire Justices in 1795 of giving allowances (under Gilbert's Act of 1782) to supplement the meagre earnings of the labourer. It seemed to be the common sense way of meeting the difficulty, in the most direct manner, with the least dislocation of ordinary trade. It was evidently intended as a temporary expedient, and had it been merely temporary it might have served its purpose in the least costly fashion. But the continuance of war, together with the decay of by-employments in rural districts which followed on the introduction of machine spinning, rendered it impossible to revert to the

Scarcity and
the allowance
system.

old order; and allowances, with all their demoralizing and pauperizing effects, came to be an integral part of our industrial system. They served, indeed, to tide over the worst period of distress, but at the cost of a serious deterioration in the character of the rural labourers.

54. Much controversy ensued and many interests were sacrificed before the English Parliament determined to accept a position of permanent dependence for a substantial portion of our national food supply on foreign corn,

Excuses for
and effects of
the Corn Law
of 1815.

purchased with the results of national industry and with national mineral wealth. While foreign corn was practically excluded by the war, the rural classes, landlords, farmers, and yeomanry had been very prosperous; and owing to the high price of corn they had not seriously felt the great increase of the rates. To them the admission of foreign corn and a sudden fall of price would have meant ruin (§ 120); and the ruin of the agricultural interest would, it was said, be followed by the still deeper misery of the agricultural labourers. The analogy of the earlier part of the eighteenth century seemed to show that an artificial method of rendering agriculture remunerative was quite compatible with the prosperity of all rural classes, and with the comfort of the artisans, if only they were sufficiently paid. The analogy was false, for circumstances had greatly changed, and our soil no longer afforded an ample home supply of food with a margin for export. Still, the project was so far plausible that Parliament passed the Corn Law of 1815, which prohibited importation till corn should reach the price of 80s. per quarter. The landed interest had their way, and they were inclined to urge that the distress in the manufacturing towns should be met by a rise of wages.

But this expedient was impracticable. The close of the

war did not open up any new markets for English goods. They had previously been smuggled into the countries from which they were officially excluded, and the poverty, which followed in the wake of the Napoleonic wars, prevented any active demand from the Continent. Besides this, some of these countries had little but corn with which to pay for English goods, and the Corn Law prevented them from purchasing with the only commodity that was available to them. With such reduced demands from abroad, English manufacturers could not give much employment, far less could they raise the rate of pay. Even as regards the home market, the poverty of the working classes and the dearness of food rendered it impossible for them to spend as much as they had previously done on manufactured goods. The Corn Laws interfered with the foreign demand for our commodities, and by causing a high price diminished the home demand. Hence it was that the manufacturers, headed by Cobden and Bright, demanded the repeal of the Corn Laws. They urged that apart from their injurious effects, they were unnecessary, since the prosperity of our manufactures would enable us to purchase a sufficient quantity of food. Thirty-one years after the landed interest had been buttressed by the Corn Law of 1815, the manufacturing interest procured its repeal (1846). According to the new policy then entered upon, our national food supply is not mainly produced at home, but is chiefly purchased from abroad, and the maintenance of our commercial supremacy, and the success of our manufacturing industry, have come to be essential for procuring national subsistence.

55. When this change was brought about there were those who argued that such dependence on food supplies from abroad would be a grave political danger, and that in time of war our enemies might cut off our supplies and starve

Political
and economic
results of its
repeal.

us into complete submission. So far this fear has not been realized ; the warning failed to attract much attention, because it was clear, from the experience of the twenty years after Waterloo (1815), that the Corn Law with all its disadvantages did not render us really self-sufficing, or give us complete immunity from this danger. But apart altogether from the political question, it may be said that our economic prosperity, if far greater, rests on a less stable basis than it did in earlier days. A country, which has its own resources of food and the materials for its own manufactures within itself, is liable to fewer risks and dangers than one which is dependent on outside supplies for the very necessities of existence. The sudden collapse of the industrial and commercial greatness of Athens is, at least, a warning of the inherent weakness of any society which can only procure its food and its materials through the efficiency of its marine.

II. Industrial Life.

56. WHEN we trace the history of the seventeenth and eighteenth centuries, it is easy to see that in the regulation of industry, as on all other sides Labourers' wages. of economic life, the promotion of national power was a paramount consideration. Every effort was made to provide employment for the people, so that an effective population might be maintained ; and a distinct preference was shown for those kinds of industry which favoured the influx of the precious metals, and thus gave the means of accumulating treasure in the royal coffers. These points may be brought out below ; in the meantime it is more important to notice how the national machinery for regulation was slowly formed, and to show what a firm grip it had on every side of industrial life. National administrators began to do more effec-

tively what manorial and civic authorities had hitherto attempted, and to make wise regulations for the quality of goods and the conditions and terms of employment.

The Black Death marks the time when these matters were first taken cognisance of by Parliament. So far as questions of the times of work or the reward of agriculturists arose before that epoch, they were apparently decided in each particular manor in accordance with its custom. The Statutes of Labourers, passed by Edward III, confirmed customary wages in some callings, and entrusted the enforcement of the law to the Justices of the Peace. These officials also possessed discretionary powers to fix wages in a few occupations, but in the reign of Richard II (1389) they were empowered to assess wages more generally, and according to the plenty or scarcity of the time. In subsequent reigns their duties were more commonly limited to the proclamation and enforcement of statutory rates, fixed either absolutely or within certain limits by Parliament. Occasionally they were authorised to assess as well as to proclaim a scale of wages: this latter plan was definitely adopted by Elizabeth in the Statute of Artificers (1563), and very severe penalties were threatened against those justices who neglected their duty. There seem to have been serious efforts to carry the law into effect in various parts of the country up to the time of the Civil War, and the Council occasionally brought pressure on the local authorities to perform this duty. In the latter part of the seventeenth century the practice probably fell into desuetude, though it seems to have been maintained in Yorkshire and possibly elsewhere. Apparently in the earlier part of the eighteenth century it was not in general use, although it was occasionally acted on in Shropshire. On the other hand, the attempts, which were made in 1728 and 1756 to enforce

a similar line of policy in the interests of the clothing trade in Gloucestershire, show that this measure was quite neglected and practically unknown in that county.

During the period of great distress at the end of the eighteenth century, when food was so dear and remuneration was so inadequate, it was proposed in Parliament to amend the old law and to impose on the justices the duty of fixing a minimum wage. Some of the reasons against this attempt have been indicated in a preceding section (p. 86), but it was also obvious that an attempt to raise wages suddenly might lead to the dismissal of all the aged or inefficient, whose work was not worth a high rate of pay. This seems to have been the last attempt to revive this policy for rural districts; but at a time of terrible distress, the cotton operatives in Lancashire fell back on the provisions of this Act as a means of securing the object they had in view—the legal determination of ‘a living wage,’ which should be regarded as a minimum. The employers and the magistrates appear to have been favourable to the plan, but Parliament pronounced against it, and repealed the clauses by which the justices had been required to regulate wages (1813). This great department of national well-being, which had been regulated in early times by the several customs of distinct manors, was treated as a proper subject for supervision by royally commissioned officials from the time of Edward III till 1813, when the policy of *laissez faire* triumphed, and this with so much else was left to be adjusted by private bargaining and free competition.

57. The methods for relief of the poor adopted in London and other towns gave suggestions for Tudor legislation, but little help could be derived from ordinary medieval practice. The charity of which we hear most was that distributed by the

Poor Relief
under Eliza-
beth.

monasteries in doles; while a large portion of the rural population were restricted to, and had rights on, the land. The problems of rural pauperism must have been very different from those which we have to face at the present day. In Tudor times, however, the increase of sheep-farming and the diminution of agricultural employment combined with other causes to bring out the necessity for organising a regular system of poor relief. And Parliament encouraged the ecclesiastical authorities to deal with the matter. The parish, an ecclesiastical division, was taken as the area to be dealt with, and ecclesiastical officers, the churchwardens, were originally authorised to exercise compulsory powers in gathering money to be used as poor relief, though additional overseers were subsequently appointed. A new national system was completed in 1601 to meet this need. Until the time of the Civil War the Council and the justices appear to have exercised very effective control over the parochial authorities in the execution of their duties. In the eighteenth century each parish became practically independent in the matter till central control was re-introduced by the reform of 1834.

58. The available resources, in different parishes, differed greatly, and in the seventeenth century
Parochial settlements.
vagrants were inclined to fasten themselves on some parish, where the common waste was good, and the parish stock was large. With a view to guarding against this unfairness, a Law of parochial *settlements* was passed under Charles II (1662), which carefully defined for what poor each parish should be responsible. This measure had many unexpected and disastrous effects. Each parish was able to prevent the ingress of outsiders to reside within its bounds, if there seemed any danger of their becoming chargeable on the rates. And by this means a new obstacle

was created, which acted almost as serfdom had done, in tying the labourer to his native place and preventing him from seeking better employment elsewhere.

The mutual jealousy of parishes and a desire to reduce the pressure of their rates led at times to great harshness in the treatment of the poor, and to a war on cottages on the part of some landlords. In some *open* parishes, where there were many small proprietors and no common policy among them, many houses were run up, and the cottagers who were expelled from neighbouring parishes resorted thither. Castle Acre in Norfolk was particularly notorious in this respect; there a demoralizing practice arose in the present century of forming gangs of mere children, who were little better than the slaves of a master, and who were hired in masses to do field labour in thinly populated parishes. This was a serious if exceptional evil to which attention was directed in 1843.

59. There were other evils connected with the administration of poor relief; assistance was given as outdoor relief, and there was a curious alternation between heartless stringency and undue laxity in the method of administration. During the seventeenth and eighteenth centuries there was a continual struggle to find some system by which work might be provided, so that the idle might be discriminated from the unfortunate. In the seventeenth century the chief expedient was to teach spinning, and the wide diffusion of this art in the eighteenth century was not improbably due to the efforts of local authorities to popularise it. At the close of the seventeenth century pauperism increased by leaps and bounds; this gave rise to wide-spread alarm, and resulted in attempts to institute workhouses, where the adult poor might find employment. There were, however, grave diffi-

culties in making them remunerative, and the check which pauperism received during the earlier part of the eighteenth century can hardly be ascribed to their influence. It was more probably due to the improved agricultural conditions of that time, which removed some of the causes of poverty, and to the demand which arose for able-bodied labour in the American colonies. These circumstances, together with the general severity of administration which came into fashion, kept down the evil in a somewhat ruthless way, but towards the end of the century, there was a reaction in favour of a more generous treatment of the poor. Two enabling measures, in 1782 and 1795, then permitted the formation of Gilbert 'incorporations' in which the funds were better administered, and sanctioned the action of the justices in granting allowances from the rates to supplement the income of labouring families.

60. The circumstances which called forth this disastrous measure have been described above (p. 86), but
Allowances
and the new
Poor Law.
a wool famine which occurred about the same time threw many spinners out of employment, or forced them to work at unremunerative rates. The allowances seem to have been an expedient for giving a temporary substitute in lieu of the earnings of women and children. But as domestic spinning never revived, this temporary measure came to be a permanent institution, and during the first thirty years of the present century outdoor relief was largely given in forms which tended to foster a pauper class.

These various evils were so crying that a drastic measure of reform was rendered necessary in 1834. A central board was created, which exercised wide control and gave a more uniform character to the administration of poor relief in different districts. It was a time of great national distress, both rural and urban, and the new authority carried out its first reforms under adverse circumstances. But it has suc-

ceeded in abolishing the worst abuses of the old days. If national poor relief is unsympathetically given and unthankfully received, it is at least less harsh and less pauperising than it was at various times in the eighteenth century.

61. National organisation has come into vogue in another direction to provide facilities for internal communication. This was recognised as a national duty from the earliest times as part of the *trinoda necessitas*; but it had, in all probability, more reference in those days to military than to commercial convenience. Throughout the Middle Ages and indeed until the reign of Queen Mary the repair of the roads appears to have been left to private munificence. It was an object to which the charitable devoted money in their wills, and to which the monasteries in their more prosperous days gave considerable attention. When Parliament took the matter up, it supplemented rather than superseded the action of local authorities. As in the case of poor relief, the ecclesiastical organisation was used as the agent for effecting this important piece of civil work. Each parish was rendered responsible for the care of its roads, while the justices were called upon to exercise a general supervision and to see that the parochial authorities did their duty. Increased prosperity in the eighteenth century rendered improved roads a commercial necessity. A General Highway Act was passed (1741), and the principle was adopted of collecting tolls, so that those who used the roads might contribute to their repair. The immediate effect of this measure was surprising; in the early part of the eighteenth century English roads had been disgracefully bad, but before its close they had attained to a very high standard of excellence.

62. From a very early time the central government devoted some attention to the quality of goods and to the regulation of fair prices. Quality and price of bread and cloth. The necessities of life first received consideration. According to the Assize of Bread already referred to (p. 72), efforts were made to devise a self-acting system, which should prove fair both to producers and to consumers by providing sufficient remuneration for the baker and his men, while it secured that the public should obtain loaves of the right size and weight for their money; the loaf was to be larger or smaller according as corn was cheap or dear. The due execution of this Assize and the effective punishment of those who infringed it was part of the ordinary duties of manorial and other local courts. As it was one of the earliest, so also was it a long-continued piece of national regulation. Early in the eighteenth century (1709) it was re-issued in more modern phraseology, and in 1757, when the harvest had failed, the London magistrates tried to carry out this policy stringently. The results were, however, sufficiently disastrous to prove conclusively that the time had gone by when such measures could be advantageously enforced.

The next great department in which we hear of national regulation was in regard to clothing. A royal official, the *aulnager*, was appointed, whose business it was to see that the cloth exposed for sale was of the proper length and breadth. At first his attention was partly given to imported cloth, but there are indications that he was also called upon to supervise the product of English looms. There were various towns which got into trouble for stretching their cloth unduly, and the aulnager's seal was intended to be a guarantee that the cloth was of sufficient size and weight, and to render it acceptable to consumers either at home or abroad. The traditional character and objects of

the institution are perhaps most easily seen in the time of Charles II, when attempts were made to foster a clothing trade in Ireland. The appointment of an aulnager in that country in 1665 appears to have been regarded as a step of first importance, if there was to be successful competition with the established industries of other lands. And though English economists and politicians took measures to repress this growing industry, the aulnager and his salary survived.

With the steady growth of the English cloth manufacture the duties of the aulnager must have become more and more complicated. There are complaints from Norfolk of the exactions of this officer in 1328, and there were special difficulties when Flemish weavers, accustomed to different measurements, settled in this country in the time of Edward III. The variety which had been introduced into the trade is most clearly reflected in the legislation of Edward IV, which enumerates a large number of cloths of different sizes and qualities, made in various parts of the country. From this time, legislation affecting the quality and weight of cloth was very frequent; the various measures are enumerated in the statute of 1809 which repealed them all. At this date all such attempts at regulation were discredited; Englishmen were pushing their trade in all parts of the world, and it was not desirable to define too rigidly the character of the goods made for so many markets. To have maintained the old rules would have hampered manufacturers in catering for public taste. There was no longer the same necessity to preserve these rules as a security for quality, since a new guarantee was afforded by manufacturers' trade-marks. While cloth was made on the domestic system, such marks could not become a well-known guarantee, but under the system of factory-production, the trade-marks of the large houses came to be widely known,

and their reputation served, to some extent, to warrant the character of the goods that they supplied.

63. There were, especially during the Stuart period, various other instances in which the supervision of a certain department was entrusted to particular officials; this was attempted in the case of alehouses, gold lace and gunpowder. A more common expedient was that of granting special privileges for this purpose to a body of persons thoroughly acquainted with, and actually engaged in, some trade, who could effectively bring home responsibility for defects to particular persons. Some of the London companies, like the Tanners, acquired an extensive right of search of this kind, while others had reserved to them exclusive rights of production. This method of granting exclusive privileges by patent had been relied on by Burleigh, but gave rise to dissatisfaction even in the time of Elizabeth and under James I. Even though plausible reasons were alleged, and the intentions of the Crown were disinterested, the public was badly served by the patentees or their agents. Under Charles I the system received farther development, when he granted exclusive patents for the production of some articles of common consumption. Thus he hoped to secure a revenue, similar to an excise, by granting a patent for soap. It was carefully devised so as to evade the terms of the statute of 1624, but the indignation, which it aroused, rendered it impossible for Charles to proceed, while it brought the whole of this system of national regulation into discredit.

64. National regulation had, however, served a useful purpose in various ways. English kings were, from a very early time, alive to the importance of trying to plant new industries within the realm. It was under the shelter of royal

Patents and
monopolies.

Alien work-
men. Incor-
porated Com-
panies.

protection that the Dutch Bay makers established their industry at Colchester, and that the Walloons carried out their careful system of trade regulation at Norwich. The benefit, which accrued to the nation from these new trades, was undoubted; but it was not readily recognised in the localities affected, and Crown patents and protection were necessary to give a proper footing to the new-comers. In subsequent times exclusive privileges in a calling were occasionally conferred on individuals by Act of Parliament, as in the case of the Kidderminster Carpet weavers and the Sheffield Cutlers. It is noticeable that the companies, specified by Adam Smith as chiefly to be deprecated, were bodies of this type. Though thus used to plant new industries, it appears that the same system of trade regulation by charter from the Crown was occasionally used to shelter the inhabitants of certain towns from the incursion and competition of aliens. Exclusive privileges for the carrying on of some industry were granted by charter to local companies, who could then exclude the alien workmen of that craft. In some cases the number of separate callings united in one exclusive company is so large that it is impossible to believe that there could have been good common supervision over such a varied assortment of wares. In the formation of these exclusive companies in Newcastle, Carlisle, and London, and in their attempted formation at Hull, we may perhaps feel that the regulation of industry was a mere excuse. The maintenance of exclusive rights was, very probably, the real object, which townsmen had in view in procuring the expensive privilege of a royal charter. But whatever their precise object may have been, the accounts of the rapid formation of these industrial companies in the sixteenth and seventeenth centuries prove that national authority not only took the place of the towns

in commercial regulation, but that it also completely superseded merely municipal organisations for the regulation of industry.

65. These various measures may be regarded as methods for regulating craftsmen, but they
Protection. were all intended to be expedients for fostering native industry. The policy of protection in some form or other was very old; there are signs of it in the cloth trade in the thirteenth and fourteenth centuries, and it developed very rapidly in many employments under the Yorkists and the Tudors. In some of its phases it is hardly to be distinguished from the jealousy of alien workmen, to which allusion has been already made; but in the seventeenth century it was deliberately pursued on carefully reasoned, if mistaken grounds. Every effort was made to plant new industries, so as to render England, as far as possible, independent of foreign nations for her supplies. As this matter is dealt with more fully below (§ 87) it may suffice to indicate here that if we bought few manufactured goods from foreigners, and had much to sell them, they would be forced to pay us in bullion and thus to augment our treasure. Such was the argument, and even when its unsoundness was becoming apparent to far-seeing men, it yet served to make men eager to plant new industries, to import materials cheap, to open up markets for our surplus wares, and in every way to encourage native industry. The doctrine that labour is the source of all wealth gave additional force to the desire to provide employment for hands at home, and to incur no unnecessary expense in purchasing the results of foreign labour. It was only after the time of Adam Smith, when international economic jealousy had become less keen, that it was possible for the ordinary politician to regard different nations as co-

operating for the common advantage, rather than as unscrupulous traders who were always striving to gain at each other's expense.

66. The general result of the tendencies described in the foregoing paragraphs may, perhaps, be most clearly indicated by noting how great a change was gradually brought about in the condition of the individual. He gained freedom in many ways—freedom of movement, freedom of employment and freedom to associate. In the earlier Middle Ages, when local authority was a leading influence in economic affairs, freedom of movement was impossible for the industrial classes. In the rural districts the peasant was *astricted* to the manorial estate (p. 34), and could not attempt to better his condition by seeking for work elsewhere. So too in the towns. The craftsman had his privileged position in the particular community of which he was free, and would not, generally speaking, desire to effect any change. In some ways Parliamentary authority was used to bolster up these restrictions when they were beginning to break down. Under the Lancastrians, attempts were made to prevent the rural population from migrating to the towns, while the Tudors aimed at hindering artisans from forsaking the impoverished places in which they dwelt. But, on the whole, national regulation of the labourer's position by successive Statutes of Labourers, and the more general administration of the law by Justices of the Peace tended to bring about the recognition of a class of free agricultural labourers who worked for wages, and who were not hindered from moving about in search of employment. In the time of Charles II a system of astriction was re-introduced in connexion with the parochial administration of poor relief; the manner in which this law of settlements (1662) interfered with the

Economic
freedom.
Migration.

fluidity of labour has been remarked upon above (p. 92). Here it may suffice to say that the evil was soon recognised, and that attempts were made to rectify it. Considerable improvements were introduced in 1795, and the conditions were still further modified when the whole poor-law system was re-cast in 1834.

67. Freedom of movement within the realm was not easily secured; freedom to leave the realm
 Freedom to emigrate. was a boon which was still longer delayed. It was not to the interest of the country that Englishmen should go abroad, since the Crown would, in that case, be unable to rely upon their services for the defence of the realm. When England had attained an industrial reputation it was considered even less desirable than heretofore that Englishmen should emigrate and plant our industries in foreign countries or even in our own colonies. Only under exceptional circumstances did bands of colonists obtain Royal or Parliamentary leave to emigrate to Ireland or to America for the purpose of settling a plantation or of founding a colony. There was, however, no scruple in getting rid of unruly elements. The man who was guilty of homicide could escape the punishment of his crime by abjuring the realm. Disbanded soldiers and other vagrants appear to have been shipped to the New World in considerable numbers. Still it was not until 1824 that restrictions on emigration were abolished; before that date permission to emigrate had only been accorded as a special favour, except in cases where it was enforced as the penalty of misconduct. In the early part of the present century public opinion underwent a great change through the influence of Mr E. G. Wakefield, who had studied the subject of colonial development with much care, and who carried on an agitation in favour of granting this liberty to all subjects.

68. Along with increased freedom of movement we may also notice increased freedom in the choice of employment. Under the manorial system this was not possible for the great mass of the people, and, as we have seen, the legislature intervened to prevent the rural population from taking up employments other than agriculture. Elizabeth's Statute of Artificers did something to perpetuate this restriction. But it also imposed a new difficulty, throughout the country generally, in preventing a change of trade by artisans. No one was allowed to work at a craft to which he had not served a seven years' apprenticeship, and this rendered it practically impossible for any one to change his occupation. In the eighteenth century, when England was supplying foreign markets with goods, and the prosperity of different trades depended on variations in foreign demand, it was difficult to make the readjustment necessary to suit new conditions ; for this restriction on change of trade combined with the law of settlements to prevent workmen from leaving a district where industry was declining. According to Defoe the cloth trade in Essex had diminished, and some villages, such as Bocking and Braintree, afforded instances of an evil which became more marked as the eighteenth century advanced. On the other hand, it may be said that, apart from the incidental effect of the Poor Law, the Act of Elizabeth gave increased freedom to the skilled artisan by fixing one standard of training and skill for the whole realm. It gave each skilled craftsman a better opportunity of pursuing his calling in any place which he preferred, instead of restricting him to work in that town of which he had, by serving his apprenticeship, become free.

The case of London presents many points of special interest. It was exempted from the operation of the Eliza-

Freedom
to change
employment.

Elizabethan Act, and continued its own system of apprenticeship. The custom of the City appears to have permitted a remarkable liberty in the change of occupation. Those who had served a seven years' apprenticeship claimed the liberty to practise a trade other than that to which they had been apprenticed. This liberal custom held its own, but not without a struggle. In the time of Richard II an effort was made to insist that every citizen should choose one calling by which he would abide, and that he should not endeavour to practise more than one, even if he was free of more than one company. In the time of Elizabeth a serious contest arose. There was one party which desired to impose a restriction similar to that in the Elizabethan Act, and another which desired to obtain Parliamentary confirmation for liberty of change. Neither could have their way, but in the long run the old custom of freedom of change was able to assert itself. It appears to have been one of the elements which gradually brought about a severance between the various companies and the actual crafts with which they were nominally connected. The liberty, thus reasserted in London, was only secured in the country at large by the repeal of the apprenticeship clauses of the Elizabethan Act in 1814.

69. Unauthorised trade associations have been viewed with much suspicion from early times, and it is only recently that freedom to combine for trade purposes has been accorded. That there were many advantages in combination was recognised from early times, and authorised associations were formed both by the Crown, by municipal authorities, by manorial lords, and by Parliament. But the unauthorised association of irresponsible persons was viewed very differently. They were at least under the suspicion of being a *ring*, formed to engross and enhance the price of some commodity, in a way which was

Freedom to
associate.

detrimental to the consumer. Every attempt on the part of a section of the community to get gain at the public expense was strongly condemned. Even authorised associations, such as the craft-gilds under Henry VI or the patentees under James I, might be guilty of misusing their powers. But unauthorised association laid the members open at least to the suspicion of criminal intent, and Henry II imposed heavy fines on the adulterine gilds of his time. The possibility of unfair combinations among dealers was kept in view all through the Middle Ages, and there was a cognate feeling about combinations of labourers, since wages were the chief element in price; the demand for higher wages seemed but little removed from a conspiracy to raise prices for the benefit of individuals, but at the public expense. This feeling gave rise to the Statute of Labourers (1351) under Edward III and to various subsequent measures, which limited the rates of wages. In the time of Edward VI a combination law was passed (1548), which seems to condemn much that had been commonly done by the old gilds. But it was not until the eighteenth century that the matter assumed much importance. Early in that century the masters in certain trades were suffered to combine for certain specific objects, such as that of prosecuting fraudulent workmen. Combinations among workmen were not unknown. They are mentioned by Adam Smith. But their history and objects remain obscure until 1799, when a measure was passed which gave the whole question a new prominence. The government of the country was suffering from a panic about seditious associations. Debating societies and freemasons' lodges were looked upon with grave suspicion, as possible cloaks for treasonable assemblies, and a Government measure was hurried through the Commons, which treated all associations of workmen as criminal

bodies. The economic conditions of the times rendered it specially hard that workmen should not be in a position to combine to drive a bargain with their employers. The Act of 1799, amended in 1800, compelled them to keep such combinations secret, and gave them the character of the devices of desperate men. Occasional prosecution for belonging to such associations gave rise to immense bitterness, and the injustice was so patent that in 1825 the obnoxious measure was repealed. It had, however, wrought infinite mischief while it lasted, and its repeal was undertaken with some hesitation. The economists of the day had a decided opinion that unions were powerless to effect any real improvement in the position of the worker, and while they were in favour of removing the criminal character of such associations, they were wholly averse to encouraging the principle of combination. Events have since seemed to falsify the calculations of the time. With the power of combination workmen have succeeded in securing improved conditions, and the existence of unions is now recognised in many trades as a convenient means for making arrangements between employers and employed. The precise objects for which combination is allowable, as well as the possible means of enforcing the policy of a combination, have given rise to much discussion and to occasional legislation. But since 1825 the existence of unions among labourers has been permitted to an extent which was never possible in earlier times.

70. The preceding sections have brought out a definite line of progress in favour of economic freedom on the part of the individual. This movement attained its greatest development during the first half of the present century, when the principles of *laissez faire* were deliberately applied to all the

Laissez faire
and philan-
thropic legis-
lation.

institutions of the country. Since the middle of the century, however, there have been signs of a reaction against this attitude of opposing regulation of every kind, and public opinion has come more and more to favour the interference of the State in matters which were at one time left entirely to individuals.

The first signs of this new era of regulation were in connexion with children's labour. It was said that they were too young to fight their own battles and that, as a matter of fact, they did not drive their own bargains. On this account men like Sir Robert Peel, who were uncompromising advocates of *laissez faire* with respect to adults, were eagerly engaged in promoting measures for the protection of children. The whole of the Factory legislation of 1802 and 1833 rested on the supposition that children were not free agents, and that it was a matter of public interest to secure that they should not be overworked, so that the rising generation should be able-bodied and effective citizens. There was a direct object of national importance in view, and the earlier measures, at all events, were merely concerned with the labour of children. Within these limits State interference is readily accepted as advisable by most persons in the present day. Whether it is expedient to do more than this may perhaps be doubtful, but the general tone of feeling has hitherto been that of leaving it to adults, so far as may be, to drive their own bargains and to secure satisfactory conditions for themselves.

The first and most definite departure from this principle of freedom for adults has been in the case of mines, where the Government has, by regulation and inspection, insisted upon the use of precautions which would not have been so readily introduced, had it not been for outside pressure. The very risks of the miner's life may sometimes render

him reckless and inclined to disparage the safeguards which are recommended on scientific grounds. In cases of this sort a public authority may be more far-seeing and careful than any of those whose interests are directly concerned, and it may be possible to give greater security for life and limb by Act of Parliament. A very great deal of the regulation incorporated in more recent Factory and Workshop Acts is of the same character, while the general approval with which they meet, and the frequent demand that they should be further extended, mark how far public opinion has veered from the *laissez faire* principles.

71. Despite this mass of legislation, however, there
 Trade Unions. is still a tendency in some quarters to speak of it as exceptional, to assert the old *laissez faire* principles, and to argue that it is best to leave adults to fight their own battles and secure advantages for themselves. But here the difficulty arises that, isolated and alone, the individual artisan has but little real economic freedom. His comparative poverty may render it impossible for him to stand out for a bargain, and the difficulty of moving his home limits the field within which he can seek work. The fluidity of labour is much less than economists sometimes seem to assume; and on this ground the labourer may fairly contend that effective economic freedom can only be assured to his class by securing him an effective right to combine.

This was strenuously denied by the *laissez faire* economists at the beginning of the century. During the period before 1825, when the unions were treated as criminal bodies, they were forced to maintain their position by secret and sometimes by violent methods, and the legislature has always been inclined to protect the individual who is satisfied with his independent position from those who wish to induce or

to force him to throw in his lot with a trade combination. The State, in admitting liberty to combine, has been anxious to maintain, on behalf of other workmen, the liberty not to combine. It has been a difficult problem to hold the balance evenly between the two. Wherever the unions have attained such a position as to be really effective economic forces, they have been able to exercise a dominating influence on the conditions of the trade; and the story of their early struggles and of the gradual growth of their organisation is one of supreme interest. But it is not clear that their policy has been wiser, or that it has been enforced with less friction and suffering than would have been the case, if serious efforts had been made by public authority to continue to regulate the conditions of labour and terms of employment in a fashion similar to that attempted in the Elizabethan labour code.

III. Commercial Development.

72. It has been pointed out above that national regulation of industrial life gradually superseded that which had been undertaken in early times by local authorities. But this is much less true of commercial affairs. Our shipping and commerce were so little developed in the thirteenth and fourteenth centuries that the institutions for fostering and developing them had to be almost entirely created by the Crown or by Parliament. To some extent, indeed, the new system was grafted on to the practice and custom which had prevailed in municipal commerce, and in the thirteenth and fourteenth centuries we see the points of transition most clearly.

Municipal
and national
regulation.

Thus in dealing with internal commerce and the alien merchants who visited English marts, the State was at first

content to enforce, with additional authority, the old municipal arrangements. The Statute of Acton Burnell (1283) at most extended to new centres a system of trading security for the recovery of debts which was already familiar in other localities. But in later commercial legislation there are fewer local limitations, and the facilities for trade, which were organised in the fourteenth century, seem to have been devised with reference to all portions of the realm. The organisation of a great national institution like the merchants of the Staple must have told against the status and importance of local mercantile communities.

The nation could also do much for the protection of the person and property of the merchant, which lay beyond the cognisance of any single city. The towns had attended to matters of local police, but the security of travellers on the roads could only be undertaken by the king or by Parliament. In the time of Edward I we see that the importance of affording to merchants immunity from attack on the king's highway was clearly recognised, and serious efforts were made to ensure it in the Statute of Winchester (1285).

73. During the fourteenth century Englishmen were beginning to take some part in foreign trade, and this new departure brought to light a new series of responsibilities, which the king and Parliament were forced to undertake. The effort to put down piracy was partly intended to preserve the coasts from attack, but it also served to give protection to merchant vessels on the seas. When Edward III claimed the sovereignty of the sea, he became bound in honour to maintain the king's peace on the sea as well as on the shore. The duty was, indeed, inefficiently done; merchant vessels which paid for a convoy did not always secure an effective escort. When the armaments of Edward III and

The perils of
the sea.

Henry V were scouring the Channel merchant shipping may have been fairly well protected; but in the time of Henry VI national energies were severely strained, and no sufficient pains were taken to render the seas safe for traders. Piracy assumed frightful proportions; organised fleets like those of the Victual Brothers and the Rovers of the Sea destroyed our shipping and attacked our coasts. Privateering was not discouraged, and the commercial jealousies of Englishmen and Hansards gave rise to occasional quarrels and to bitter reprisals. Towards the close of the fifteenth century a series of treaties rendered trade more secure, and the efforts of different commercial communities put down the Northern piracy, from which all suffered in turn.

74. As English trade expanded more widely, it became necessary to deal with the old difficulties on a larger scale. Trade in the Mediterranean was seriously interfered with by the pirates of Algiers and Morocco. These petty states became the resort of desperate characters of all nationalities, and the attempts of James I to obtain Spanish co-operation for the extermination of the evil proved a failure. They did not confine their depredations to merchant shipping. In 1631 the town of Baltimore in the South of Ireland was utterly destroyed, and the surviving inhabitants carried into slavery. When such depredations could be successfully carried out, there was at least some excuse for Charles I's demand for a payment of ship-money to defend the realm. The sailors of the Commonwealth had some temporary success, and the negotiations of Charles II were not without effect, but it was not until English power was completely established in the Mediterranean that this mischief was really brought to an end and that piracy ceased to be a

Commercial
treaties.
Trading Com-
panies.

serious danger for merchants to face in European waters (1818).

There were several important commercial treaties in the time of Edward IV and Henry VII which not only served to diminish hostilities on the high seas, but also gave a footing to English merchants in foreign countries. In some cases a factory was secured to them, where merchants could live on moderate terms, and warehouse their goods. Sometimes a consul or representative was appointed, who was able to look after the interests of any merchant who visited the port. Successive appointments of this kind serve as landmarks to show the gradual expansion of English trade, not only in the Low Countries where the Merchant Adventurers had their factories, but in Pisa, Crete, and Smyrna where consuls were established in the time of Edward IV and Henry VII. Arrangements of this kind, though of the first importance for commerce, were really political in character. The English cities never aspired to be independent states, and attained neither the wealth nor the position which would have enabled them to procure privileges and to push English trade in these new and distant ports.

From this point of view it is clear that many of the mercantile organisations, which seem at first sight to be merely municipal, were really national in character, and could only have been authorised by national authority. So long as the Mercers confined their attention to wholesale trade in cloth within the realm, they might be satisfied with the sanction they received from the Mayor and Aldermen, though they preferred the additional status conferred by a royal charter. But when some of the brethren devoted themselves to shipping goods abroad, and it was desirable that the trade should be organised and put on a sound

footing, the Company of Merchant Adventurers obtained powers of self-government at a foreign mart and of exclusive trading as against other Englishmen. This could only be granted by national authority. Similarly when the Grocers concerned themselves not only with *garbling*—or sifting—spices and dealing in imported goods, but took to shipping them from the Levant, they were organised by royal authority as the Turkey Company. These London Adventurers affiliated similar organisations which were formed by royal authority in the out-ports for various branches of foreign trade. It is only necessary to specify the Merchant Adventurers of Exeter, founded by Queen Elizabeth, and the Merchant Adventurers of Newcastle. To regulate trade within a city was comparatively easy, but to shield and to organise Englishmen in their trading with foreign lands was a political duty which could only be undertaken by the highest authority in the realm.

75. The Tudor kings were all interested in maritime affairs, and from their time onwards we find more systematic efforts to diminish the physical risks which seamen had to run on our coasts. The protection of the coasts. There were constant efforts to improve the harbours; while the Brethren of Trinity House at Deptford were especially encouraged to erect sea marks and lighthouses and to concern themselves with the training of pilots. A similar institution with more restricted powers was formed at Hull, and their united efforts resulted in greatly increased safety for our shipping by improving the access to harbours, by rendering harbours more secure, and by marking out the course which it was wise to pursue, or the points it was necessary to avoid. Such work was, in itself, of the highest importance; and it also serves as an interesting illustration of the nationalisation of local institutions, when

we see how an association of Thames pilots was taken up and employed by royal authority to exercise a guardianship over the whole of our coasts.

76. The re-discovery of America (p. 11) and the discovery of fresh routes to the East gave a fresh stimulus to the ambition of Englishmen. When they seriously endeavoured to enter into competition with foreign nations in these new directions, they went out under royal patronage and with royal approval. There was, of course, much individual enterprise, as was shown, for example, in the expedition fitted out by a Bristol merchant in 1480 to seek for the island of Brazil. But a regular trading expedition, which required a valuable cargo, could only be undertaken by the co-operation of several merchants; and they naturally desired to obtain the prestige of a royal introduction in the distant countries which they visited. A Russia Company was organised under Edward VI, which, though it consisted of London merchants, was really a national undertaking. These merchants opened a trade with Archangel, and before long they pushed their way by the Russian rivers and the old caravan routes to Persia. This was the first attempt made by Englishmen to open up communications with the East, and to obtain a share in the profitable trade from which the Portuguese derived so much wealth. The Company's agents were provided with royal letters, written in Hebrew and Greek, which it was thought might prove intelligible to Oriental princes and recommend the subjects of the king of England to favourable consideration.

77. Another such company endeavoured to win for Englishmen a share in the direct trade with India by the Cape of Good Hope. The East India Company was organised by London

The New
World and new
routes to the
East.

Joint-stock
and regulated
Companies.

merchants, but was under Court patronage; and at one time the shrewd City men who started it feared lest the influence of the Court should introduce into their ships some gentlemen adventurers, who would be more likely to direct their attention to fighting than to trade. Those who entered the Company did not trade as individuals, but combined to take shares in fitting and loading several ships one year, and then formed a new subscription for each subsequent voyage. The private trading of individual merchants or of the Company's servants was sedulously put down, and each voyage was made upon a joint-stock. There was, however, an unnecessary complication in such a system, especially when the charges of the establishments at home and abroad were considered. In 1612, the charter of the Company was renewed in a different form, and it became a joint-stock company, in which all the partners had larger or smaller shares. Such a joint-stock company, which traded as a single corporation, was in a strict sense a monopoly, since it had the exclusive right of trading. Other companies, such as the Russia and Turkey Companies, were composed of men each of whom traded on his own account and competed with others, while he recognised some general regulations, which were thought to be beneficial to all: such traders also had the advantage of special privileges and conveniences in the towns where they carried on business. Any English subject could belong to these regulated companies upon payment of a comparatively small fee for admission, and part of their trade regulation was intended to prevent the richer merchants from concentrating business in their own hands, and to allow younger men to have their chance. Both regulated and joint-stock companies were national institutions for the development and control of foreign commerce. Both obtained their powers by charter

from the Crown, but whereas the joint-stock companies were really monopolies, the regulated companies do not deserve that name.

This system of company-trading was, to a large extent, an English institution, and did not develop so fast, or on quite the same lines, either in Holland or in France. There was much doubt in England during the seventeenth century as to whether the system was wise or not. The East India Company was the one most frequently attacked, but even the regulated companies were severely criticised as being injurious to trade. In 1608 the privileges of the Merchant Adventurers were suspended, and at a later date the Russia and the Turkey Company aroused considerable hostility on the part of the *interlopers*, as those English merchants were called who defied the exclusive claims, and competed in the trade of the Companies. Under James I a special commission on trade was appointed, and it was one of their chief duties to consider the policy of allowing companies in trade. The Commissioners did not pronounce against it, and further attacks, made in the time of Cromwell, were successfully resisted. Before the period of the Revolution, however, the constitutional rights of interlopers to trade were upheld, as against the joint-stock companies, in a case which was brought by Sandys against the East India Company (1684). With the Revolution and the Bill of Rights, the position of these bodies, which depended on charters granted by the Stuarts, was weakened, and the rivals of the East India Company seemed likely to get their way. The interloping merchants were empowered to form a new general or regulated East India Company, which seemed likely to supersede the old London or joint-stock company. The two entered on an unseemly and disastrous competition, but eventually their competing interests were reconciled,

and the two bodies were amalgamated. At this juncture the principles for which the joint-stock company had contended may be said to have triumphed, and Parliament appeared to acknowledge that in distant trade with peoples with whom we had no regular diplomatic relations, it was expedient for Englishmen to present a united front.

78. The later history of this great Company, and the steps by which it was transformed from a trading body to a political power need not be detailed here. It continued to pursue the policy of corporate trading, with which it had started, but it did not prevent its servants from engaging in private trade on their own account within India itself. The relations of the Company with its servants and of the Home Board with its officials abroad were complicated and often unsatisfactory. Commercial and political interests conflicted, and the common trade of the Company was sometimes said to be sacrificed to the private trade of the servants. The wealth of these servants, when they returned, and the high profits of the Dutch Company, which was managed on different principles, made the shareholders suspicious, and tempted the directors to gratify them by paying extravagant dividends. The Company was brought to the verge of bankruptcy by the middle of the eighteenth century, and when reconstituted it came to be more and more political in character. At the time when the trade to India was formally thrown open (1813), the shipments of the Company had come to be very trivial, but it retained its exclusive trade with China for a longer period (1833). Tea was an article of common consumption of which the Company had the monopoly and could regulate the supply. It is in connexion with this article that we see the last remains of the controversy on the advantages and disadvan-

The East
India Com-
pany.

tages of corporate trading. That there were some advantages may be gathered from the strained relations with China, which immediately followed the abrogation of the trading monopoly and the independent efforts of competing tradesmen to push the sale of their wares.

79. In the present day when the British mercantile marine is so very large, it is strange to recall the fact that through a long period of our history we had very little shipping at all, and that our commercial supremacy is of quite recent growth. But it is perhaps more important to remember that our naval power has grown along with our commerce, and that owing to that naval power our commerce is far less fettered than was formerly necessary. In former days the Government was unable to protect the mercantile marine effectively from the attacks of pirates, or to secure our merchants due respect in distant lands. But now-a-days our naval power serves to protect our commerce everywhere, and to give our merchants a firm footing in the most distant parts of the globe. We are dependent on our navy for the regularity of our food supply. We are dependent on it too for the protection of our commerce, and for all the industrial success which is bound up with our commerce.

In old days, when *adventurers* could look for little effective support from the home Government, and were forced to provide for their own defence themselves, there was much excuse for conferring a trading monopoly on those who undertook this difficult position. The practice of chartering monopolist companies for distant trades with half-civilised peoples did on the whole justify itself. But now that English political power is more widely and more effectively felt, there is no longer the same excuse for con-

The Navy
and joint-
stock Com-
panies.

ferring a monopoly on trading companies that undertake political risks. But even though English subjects all over the globe can look to the Government for protection, the recent formation of the Chartered African and Borneo Companies shows that the old expedient is still resorted to for pioneer work.

But though these companies have not their old political character, the commercial principle on which they were formed still holds good, and has been applied in every sort of way. From very early times, several owners might combine to fit out a ship and buy a cargo, when none of them was able, separately, to risk a very large sum in ventures by sea; and this practice received a new application when a permanent joint-stock company, like the East India Company, was formed to undertake the difficult task of opening and maintaining friendly relations with distant peoples, whose civilisation was very different from our own. Such trading connexions could not be permanently maintained by individuals singly, and the risks of trading were minimised for each, when the shareholders acted together as one body. By this means the owner of a comparatively small sum of money can club with others, so as to share great risks, and, if he is successful, earn large profits. At all events this method of associating for business purposes has been more and more adopted. Adam Smith attempted to discriminate between certain kinds of business which could not be satisfactorily undertaken in this fashion, but since his day enterprises of every possible sort have been carried out on a joint stock. It seems, indeed, that unless this form of conducting business had been generally understood, the gigantic undertakings of the present day—such as the construction of railways—could hardly have been accomplished; there would have been no capital available. But every kind

of undertaking—financial, commercial, agricultural, shipping, mining, manufacturing—is now successfully conducted on this basis. Though there are obvious disadvantages in the system—since the management may be lacking in keen personal interest, and the owners of the property deficient in a sense of personal responsibility for the conduct of affairs—it is steadily gaining upon private enterprise. Year after year we see private firms reconstituted as joint-stock companies, and there are some lines of business, such as banking, from which the private firms have been almost wholly ousted.

IV. Economic Policy.

80. In the preceding paragraphs an attempt has been made to trace out the different sides from which the State interfered with and controlled the development of our industry and commerce. But it is also worth while to gather these various threads into one, and to show that a common purpose underlay all the efforts at regulation and control. This has been already indicated in connexion with the reign of Richard II, which proved such an important turning-point (§§ 47, 48); but the whole becomes clearer when it is looked at retrospectively as well as prospectively. The central authority kept a firm hand on all sides of economic life, and it employed them all so as to promote national power, and to render England stronger relatively to other nations. Though there were strokes of good fortune, on which the mercantilists could not have counted, and which aided their efforts, we need not deny them the credit of success in attaining the object they had at heart. In the time of Richard II, England was a small power in Europe, with no marine to speak of. At the beginning of the nineteenth

Elements of
power. Ship-
ping and trea-
sure.

century, England was strong enough to hold her own against the world, and her fleets guarded a world-wide commerce. While the Mercantile System was in vogue, the highest ambition of those who designed it was accomplished, and England attained to a position of immense power and prestige among the nations.

As already stated, there are some objects which may be regarded as common to all countries that seek to increase in strength. A sufficient food supply is one of them; the means taken by England to attain this end were by no means common and have been sufficiently described above. But two other objects were kept in the forefront by the Mercantilists; one of these was specially thought of by Englishmen—the increase of our shipping and the strengthening of our wooden walls. It was of obvious importance in the case of an island realm, and the efforts to encourage our shipping and seamanship ramified out into all sorts of subsidiary regulations. Further, the providing of a large *treasure* of the precious metals to meet political emergencies presented a difficult problem in the case of a country which had no mines; in attempting to solve it the Government devised expedients which affected many branches of enterprise and employment.

81. Deliberate attempts to encourage English shipping are found as early as the time of Richard II. The policy of Edward III had practically discouraged Englishmen from engaging in trade, and their ships had suffered so much from the requirements of the king's military expeditions that the English mercantile marine was almost destroyed. To remedy this evil, an Act was passed in 1381 which insisted on the employment of English ships, although in the following year this was modified into giving a preference to

The objects
and effects of
the early Na-
vigation Acts.

English ships. This policy, though politically advantageous, entailed numerous commercial disadvantages; even after the first few years of trial it appeared that shipowners were charging exorbitant rates, so that fewer goods were imported, and, consequently, the prices for imported commodities ranged higher than would otherwise have been the case. The grievance was so great that the navigation Acts were not steadily enforced during the fifteenth century; and in the sixteenth, Wolsey was definitely opposed to a restriction, which, though it might eventually increase shipping and power, in the meantime diminished plenty. He saw that a navigation Act would be likely to involve a reduction in the quantity of wine imported: and a double mischief would ensue—to the king from the reduction of the customs on wine, and to the consumer from a diminished supply and a consequent increase of the price. Thomas Cromwell was in favour of a strict navigation policy, but the old difficulties recurred under Edward VI; and the measure which was passed under Burleigh's administration was discriminating in character and aimed at the encouragement of English shipping, while it minimised the evils of restriction.

82. The next legislative change was in the time of the Commonwealth, when the commerce of England had considerably increased, and when a stringent policy was re-enforced, not only for the sake of fostering English shipping, but also in the hope of striking a blow at the carrying trade of the Dutch, and bringing the American and West Indian colonies into closer commercial relations with the mother country. Whether, as is commonly supposed, the Navigation Acts (1651, 1660) inflicted serious injury on the Dutch or not, they certainly entailed inconvenience not only on English consumers but also on English colonists. These were re-

**Effects on
Holland, Scot-
land, Ireland,
and the Colo-
nies.**

stricted in their trade with one another and with European countries, and if the connexion with the mother country became firmer, it also became more galling.

The navigation laws were merely intended to encourage the trade of England, but they told against the progress both of Scotland and of Ireland. The Scotch, in the earlier part of the seventeenth century, had supplied the colonial markets with a good deal of coarse cloth which had been exported in Dutch ships. With the passing of the Navigation Act (1651) this channel of trade was closed, and after the Restoration they were also prevented from using English ships. The restriction was thus a serious blow to the struggling industry of Scotland, and the great popularity of the Darien scheme was undoubtedly due to a general belief that it would serve to give Scotch merchants and Scotch manufacturers a footing in the distant markets, which had recently been closed to them. The Act of Union (1707), by uniting the two nations into one kingdom for commercial purposes, served to include Scotland in the benefits of the Navigation Act. Ireland, which had not been excluded by the Act of 1651, came under restrictions in 1663, and continued to be at a disadvantage through the greater part of the eighteenth century. She was treated as a dependency, and was excluded from direct trade with the colonies; Galway in particular suffered seriously from this restriction. The victualling of ships was a business for which Ireland was specially well adapted, and in more than one way her native interests were sacrificed to those of more distant colonies, as in the matter of Virginian tobacco (§ 90) and West Indian rum. Commercial disabilities undoubtedly retarded the development of Ireland, and served to open to the manufacturers of linen in Scotland advantageous markets which were closed to Irish linen (p. 137).

It may thus be said that the interests of consumers in England and of producers in Scotland, Ireland, and the colonies were to some extent sacrificed by the Navigation Acts. That they had this effect was manifest, the only defence, and it seemed to those who maintained them a sufficient defence, lay in the fact that they attained their object. Under their influence, and apparently in consequence of them, the mercantile marine of England developed from being merely insignificant till it attained the supremacy of the world. The acquisition and maintenance of power was the end at which the framers of the Navigation Acts aimed, and power they succeeded in securing. The marine of England decided the issue of the struggle between France and England in India and America. The mercantile marine of England rendered her superior to all the military strength of Napoleon; she found the sinews of war in a world-wide commerce, which extended over seas where none but the English flag was ever seen. It is easy to show that the system was costly: it is not so easy to be sure that the cost was excessive, considering how completely successful the policy eventually proved.

83. Closely connected with this scheme for the encouragement of shipping were other measures affecting (a) the training of seamen, (β) the development of ship-building, and (γ) the providing of materials and naval stores.

Subsidiary callings. Fisheries, ship-building and naval stores.

a. The trade which did most to foster a class accustomed to a seafaring life was that of fishing; and many curious enactments were passed under the Tudors and in subsequent times for promoting this kind of enterprise. The simplest means was to bring about an increased demand for fish, and with this object a sumptuary measure was passed insisting that a fish diet should be used on two

days a week throughout the year as well as during Lent. Serious attempts appear to have been made to enforce this measure for nearly a hundred years. After it fell into disuse, a new expedient was tried by the granting of bounties in connexion with the herring trade. These gave rise to an immense amount of fraud, and it may be doubted whether there was any equivalent advantage; at the same time it is noticeable that, whether through this help or apart from it, English fishing developed more and more. At the beginning of the seventeenth century the Dutch fished largely in the immediate neighbourhood of Yarmouth, and with vessels of a build superior to anything that Englishmen possessed. By the close of that century, the latter had been so far successful in outrivalling the Dutch on their own methods as to get the local herring trade entirely into their hands. During the eighteenth century Englishmen also made considerable progress in "the pleasant sport of catching the whale"; while all through the long period from the discovery of Newfoundland to the present day, they have at least held their own in the recurring contest with Frenchmen in the cod fishery.

β. Englishmen have so long excelled in the art of ship-building that it is interesting to note how much pains had at one time to be spent in fostering this form of skill. Henry V built several large ships of war in imitation of the Genoese vessels, and in the succeeding reign John Taverner of Hull and William Canynge of Bristol showed special enterprise in similar undertakings. Henry VIII and his successors shared this enthusiasm, although they were badly provided with dockyards and arsenals; but some pains were taken to remedy this fault by creating an establishment at Deptford in 1513. The direct encouragement which was given to English shipping under Elizabeth and in subsequent

reigns, was a means of encouraging ship-building, not only in England but in the American colonies.

γ. The policy is still further illustrated by various efforts which were made to ensure that the realm should be amply provided with naval stores. Special pains were taken to insist on the growth of flax and hemp. So far as maintaining a sufficient home supply of wood for ship-building was concerned, the interests of the navy were more or less sacrificed, as regards both England and Ireland, to the exigencies of the iron trade and the demand for fuel. But this seemed of less importance, as there was an abundant supply in the American colonies. To some writers it appeared as if the chief advantage derived by England from these dependencies was due to the ample supply of wood and tar which came from them, since this country had hitherto been dependent on Norway and Sweden for such stores. This was, indeed, a dominant element in the scheme of policy pursued towards the colonies. They were restricted in various ways, but they received every encouragement to open up their resources so as to supply those products in which England was deficient. So long as they expended their energies in this direction they would strengthen the mother country, and would certainly not injure her by successful competition.

84. To secure a supply of treasure was another great point of economic policy. Without wealth in the form of bullion it was not easy to meet any sudden emergency, or to raise and equip an army or a fleet. Treasure was, therefore, an important element for supplying the sinews of war and for increasing the power of the realm by providing the means of meeting any emergency. Hence we find various measures which were intended to bring a supply of bullion from abroad to this country.

The bullion-
ist policy for
treasure.

Such legislative effort can be traced back to the time of Richard II, but no earlier. There had been a good deal of legislation under the Edwards concerning the importation of coin, but these were really mint regulations intended to provide a sufficient currency for the realm and to keep the debased coins of other countries out of circulation in England. From the time of Richard II, however, we find that there was a systematic endeavour to accumulate bullion which might be hoarded as treasure, and thus maintain the power of the realm. As England was a country in which there were no mines, the precious metals could obviously only be procured from abroad, and they were brought in as the result of trade. To this end *statutes of employment* were passed, which required that those who came to buy English commodities should pay for them, or for a portion of them, in bullion. At the same time the export of bullion from the realm was prohibited, so that while this bullionist policy aimed at forcing merchants to bring gold and silver to this country, it also prevented them from taking it out. This system was followed in many lands, and was specially favoured in Spain by Charles V and his successors. It was not, however, very easy to enforce, as the precious metals, having great value in small bulk, are easily smuggled; and early in the seventeenth century, it gave place to what is more properly spoken of as a mercantile theory. Indications of this are found as early as the time of Richard II, and it was well understood in the days of Edward VI. But it did not come to the front until the time of James I, when it was put forward by the members of the East India Company as a justification of commercial transactions which the bullionists condemned.

85. The mercantilists, like the bullionists, aimed at increasing the treasure in the country, but they adopted

entirely different measures to this end. Instead of trying to legislate directly for the precious metals, they held that, by legislating for the trade in commodities, they could induce conditions in which the precious metals would naturally flow to this country. If we sold a large quantity of goods to other lands and bought very few of their products, they would be bound to pay us a balance in bullion. Hence it appeared that by using expedients to limit the quantity and value of our imports, and to increase the quantity and value of our exports, there would be a balance of trade which could only be defrayed by payments in bullion from abroad. As thus recast, the effort to procure treasure ramified out in many directions, but it should not be forgotten that the fundamental reason for desiring bullion was the political one of acquiring treasure. Those who were most decided about the advantage of procuring treasure, were equally clear that gold and silver were only valuable by convention and not in their own nature; and in so far as mere economics were concerned, there was no tendency to regard bullion as a specially important form of riches or wealth.

The practical question over which these two schools of economists, the bullionists and mercantilists, came into collision was of vital importance to the East India Company. The direct trade with India could not be carried on without the export of bullion. There was no market in India for the cloth or other bulky products of this country, and silver had to be exported in order to procure the silks and spices of the East; the bullionists protested against permitting any export of bullion at all. But the champions of the East India Company alleged that, by sending some silver abroad, they were able to drive a trade which enabled them eventually to procure much more silver on the whole. They

The Mercan-
tilists and the
East India
Company.

argued that the silver sent to India was like the seed which seemed to be wasted, but which yielded a plentiful harvest. They held that if London were a *dépôt* for East India goods, we could procure silver by selling them to other European countries. Hence they argued that it was unnecessary to impose restrictions on the export of bullion, so long as an effort was made to ensure that the commodities exported by the country as a whole should exceed the value of the commodities imported. Gold and silver they argued must come in somehow, if the trade in merchandise were carried on in this fashion.

86. The triumph of this mercantile policy gave a new importance to the efforts which had been made, from time to time, to plant new industries in this country. In so far as we could manufacture at home any goods which had hitherto been procured from abroad, the amount and value of our imports would be diminished with a corresponding improvement in the balance of trade. It was on this account that attempts were made to foster the silk trade and to discourage the consumption of any foreign commodities for which bullion was habitually paid. Authorities began to discriminate between the relative advantages of trade with different nations, and to note the particular balance with each country, as well as to sum up the general balance with the world as a whole. The inter-ramifications of trade are so many that this attempted discrimination between particular trades was probably quite illusory, as was seen by Dr Barbon in the time of William III. But it took a firm hold on the public mind and gave rise to an immense amount of argument and to some legislation. There was a strong desire to cut down intercourse with France to a minimum, as the particular balance seemed to

The general
and particular
balance of
trade.

be against England in that trade. On the other hand it seemed desirable to encourage intercourse with Portugal, as the particular balance with that country was in our favour. In this fashion it came to be considered patriotic to drink port rather than burgundy or claret. And the tastes of consumers were treated with scant respect in consideration of the political advantages of fostering such a trade as tended not to diminish, but to increase, our treasure.

87. Besides the legislation which aimed at attaining one

The balance of trade as a supposed criterion of the industrial prosperity of a nation.

or other of these various elements of power, many measures were passed with a view to foster the general prosperity of the country, and thus to give a "fund" from which revenue might be drawn for the defence of the realm.

It was from this cause that the regulations of the mercantile system had so much vitality; but for this clear recognition of industry as a source of national wealth the mercantile restrictions might have died out at the end of the seventeenth century. From the time of the foundation of the Bank of England, when public borrowing came to be habitually used for meeting emergencies, the political importance of treasure declined, and thus the whole of the economic system which rested upon it might have been expected to collapse. But it was too firmly founded to be easily broken up. The balance of trade was coming to be regarded in a new aspect, as a criterion of the industrial prosperity of the country and of its growing ability to bear the burden of taxation. If the balance of trade with Portugal was in our favour, it was thought that by our intercourse with that country our native industry received a stimulus. If, on the other hand, we had constantly to pay a debt to France, it appeared as if this intercourse fostered their industry more than it did ours. If the general balance of trade were in

our favour the whole business of the country was apparently being done at a profit. But if the particular balance with any nation were against us, it seemed to show that they were gaining at our expense, that we offered a better market to them than they offered to us, and it was feared lest in this way they would gradually outstrip us in industrial prosperity and consequent wealth. It is here that the close connexion between the doctrine of the balance of trade and the pursuit of political power makes itself felt. The power of one nation is relative to the power of other nations. If a country increases its armaments, but does not increase them so fast as a rival does, it is really becoming less powerful relatively to its possible enemy. And hence, according to the ideas of the time, political jealousy gave rise directly and immediately to commercial hostility. It was not until the time of Adam Smith that this narrow view of trade was set aside. He regarded wealth as the main object to be pursued; he held that if the wealth of the subjects increased, the sinews of power would somehow be available, and hence he argued that any intercourse between trading nations, since it benefited both in some degree, might be wisely continued. Each was really aiding the prosperity of the other, and since he regarded it as impossible to discriminate which gained most, he was prepared to hold that free intercourse between nations would be for the mutual advantage of all.

88. Since the desire to promote power lay at the root of the whole system, there was no scruple about sacrificing the interests of individual citizens, or of any class of citizens, to what was supposed to tend to the political well-being of the nation as a whole. On these grounds, as has been noted above, the taste of claret-drinkers was sacrificed, and those who were fond of port were the gainers. So, on a

Individual
interests and
national pro-
sperity.

larger scale, there was constant interference with the direction in which men employed their capital. The art of the statesman, as conceived by Sir James Steuart, the last of the mercantilists, was that of so playing upon the self-interest of individuals that they should devote their energies to those undertakings which fostered national power. It was for this reason that so much attention was directed to fisheries and to distant trades which employed shipping, and that premiums were offered for the encouragement of the Scotch and Irish linen trade. Bounties were also given on the importation of raw produce to be manufactured in this realm, as this seemed to be a real though a costly means of stimulating certain industries. With this same object, a revision of the tariffs was systematically undertaken by Walpole, who set himself to regulate the taxation of the country, so that manufactures might be directly encouraged. Raw products were imported on easy terms, and foreign manufactures were heavily taxed. Attempts were made to foster English industry on many sides, and under the influence of this policy we became much more independent of foreign nations, and obtained a footing for our manufactures in all parts of the world. But though the result aimed at was attained, it is not certain how far the means employed really contributed to that end. Adam Smith's careful investigation has made it clear that the measures which favoured one industry or interest were very costly to others, and it seems quite possible that the industrial development of the country might have been as rapid, if it had gone on with less interference. Sir James Steuart had recognised that the practical difficulties were such as to render it almost impossible to legislate wisely for trade on behalf of the public; Adam Smith revolutionised the existing system by going one step further. He maintained that interference with trade

was so sure to entail some mischief that it was practically better to leave it alone.

89. The most disastrous results of this attempt to subordinate particular interests to the public good, followed when it was applied not merely to individual industries, but was also used to discriminate between areas. None of the colonies contributed anything to the general revenue of the realm. The greater number found it difficult to meet the expense of their internal government. Still, the colonists had their trade protected by British fleets, and were dependent on the mother country for assistance in the great struggle with their French neighbours. Their political interests were bound up, though not very closely, with those of England, while they took no direct part in contributing to the maintenance of these defensive powers. Hence it came to be a recognised principle of policy that the resources of the colonies should be developed in such a fashion as to supplement the material prosperity of the mother country, but not on lines which would enable them to compete either with British industry or with British trade. British land, British industry and British trade provided the costs of common defence. It seemed fair to subordinate the economic interests of the colonies to the interests of the mother country, so that they might help to increase the fund of wealth from which the expenses of the common defence were defrayed. This broad political principle was so applied as to enforce on the colonies that economic policy which best suited the interest of the mother country, and which thus contributed indirectly to the maintenance of English power.

Colonial
interests and
national
power.

90. The most favoured group of colonies consisted of those in the West Indies which supplied products entirely

distinct from those of England. They thus supplemented the resources of the mother country, and rendered her independent of the supplies which must otherwise have been obtained from French or Spanish possessions. The West Indian colonies also furnished a depot for a profitable trade with Spanish America, while they were conveniently situated for the prosecution of the slave-trade, which employed much English shipping. On these grounds they were specially encouraged, and much pains were taken to develop their resources and to foster their trade. So clearly was this felt that the trade of the northern colonies on the American mainland was somewhat restricted in the hope of giving additional prosperity to the West Indian islands.

The West Indian colonies, and Virginia.

Virginia was also favoured to a certain extent. Tobacco had not been grown in England or in Ireland in early times, and when the first attempts at planting it occurred, in the seventeenth century, considerable efforts were made to check the new development. It was regarded as the staple product of Virginia, and the British and Irish tobacco growers were not suffered to compete with the colonists. In all probability this measure was, to some extent, dictated by fiscal considerations, as it was far easier to collect duties on imported tobacco than to levy an excise on any that might be produced in England or Ireland. Still the fact remains that in this one instance a British interest was sacrificed to maintain the prosperity of a colony. Even though it was an exceptional case, it yet seems to illustrate the attitude taken by English statesmen and to set their whole policy in a clearer light.

91. The northern colonies, from their physical and climatic conditions, naturally came into direct competition with the mother country. They had special advantages for

pursuing some trades, such as the manufacture of beaver hats or the smelting and manufacture of iron.

The former of these industries was, however, discouraged by the home Government, and the latter was limited to those preliminary

The Northern colonies.
Economic dependence.

processes which could not be so well conducted in the mother country owing to the increasing expense of fuel. Ship-building was another trade for which the northern colonies were naturally well adapted; but this received exceptional treatment. Colonial and English ships had equal opportunities for employment, and the colonies were also encouraged to export timber and naval stores to England. Even when there was no danger of competition with the industry of the mother country, the policy was pursued of confining the colonies to the raising of raw products. It was distinctly believed that by rendering the colonists economically dependent on the mother country for manufactures and other supplies, the political tie was strengthened. To some extent this may have been the case, but it might be argued that the general result of the policy was precisely the reverse of what had been intended. When the conquest of French Canada diminished the interest of the colonists in the political struggles and ambitions of the mother country, the restrictions upon their trade and manufactures proved a source of constant irritation and led directly to the breach by which these flourishing territories were lost to England for ever.

92. The policy already described receives abundant illustration nearer home, for it was in the case of Ireland that competition with the mother country was most possible, and that economic jealousy was consequently keenest. Ireland was well adapted for growing wool, and the

Irish competition in the woollen manufacture.
The Irish linen trade.

peasants in some parts of the country had long been engaged in the manufacture of a coarse cloth known as frieze. There is some reason to believe that in the fourteenth century there had been a manufacture of finer cloth as well, while in the seventeenth century repeated efforts were made to plant the manufacture of broad-cloth—an important article of English production. As living was comparatively cheap, and as wool could be obtained in plenty, it seemed as if Ireland would have special advantages for this manufacture. Strafford, who saw that if the project succeeded it must be through successful competition with England, opposed the scheme, and tried to direct the industrial energies of the country into the linen trade. After the Civil War, however, renewed attempts were made, although without much success, until in the time of William III the West of England manufacturers awoke to the superior advantages which Ireland had to offer, and migrated thither in considerable numbers. But a change of this kind aroused great alarm. England was engaged in a struggle with Louis XIV, which strained all her resources. She had to depend chiefly on the land-tax and the customs for her revenue. In so far as the West of England manufacturers migrated to Ireland the land-owners would lose through a fall in the price of wool, and the customs on the export of cloth would be diverted from the English to the Irish revenue. With the avowed object of preventing this financial difficulty a tax was imposed on Irish cloth, which was calculated to be a countervailing duty. It was, as a matter of fact, so oppressive that, in conjunction with the restrictions imposed by the Navigation Act, it effectually ruined the prospects of an Irish woollen manufacture, and dispersed the artisans who were carrying it on in Dublin and other Irish towns. As these men emigrated to the Continent, and practised their calling in Germany

and elsewhere, they set up rival manufactories which competed very seriously with those of England.

Even the linen trade, which had been fostered by Strafford and in which the Irish were encouraged to find compensation for the loss of the woollen manufacture, was not fairly dealt with. When, by the Union, England and Scotland came to have a common purse, the Scotch linen trade was encouraged, both directly and indirectly, while the Irish manufacture was not. There was even some jealousy of this trade on the part of English clothiers. It was said that towns in the Low Countries, which at that time offered a good market for cloth, would be practically closed against us, if we did not buy our linen from them; and thus English politicians were inclined to look askance at the development of this trade, even though it did not directly compete with any established English industry.

93. So far we have considered the effects of the economic jealousy of Ireland, that is, of successful hostile competition by Ireland with the mother country. But political jealousy was also an important factor. Both in the time of Charles I and James II Irish armies had been formed and had been under the sole control of the Crown. They had served at least to threaten the English Parliament and to support schemes of policy which were regarded as unconstitutional. In this way the Whig jealousy of the royal power, from which William III suffered so much, came, indirectly, to be a jealousy of Ireland, as a source from which the king might draw independent resources of men and money without appealing to the English Parliament at all. This gave an additional importance to the hostile competition which has been already described. The migration of industry from the West of England to Ireland

Whig jealousy of Irish prosperity—
Irish cattle.

meant the transference of resources from a region which Parliament could control to a district where they lay directly in the hands of the Crown. This jealousy was expressed in Charles II's reign on the occasion of an attack which was made on the Duke of Ormond. He was interested in the development of cattle-breeding and grazing farms in Ireland. The English landlords and graziers objected to what they regarded as hostile competition, and Parliament imposed restrictions on the exportation of Irish cattle, which effectually stopped the progress of cattle farms in that country. That this was due to political jealousy is shown by the fact that no similar measure was passed against Scotland, although the economic competition of the two smaller kingdoms was very similar in regard to this trade.

94. Besides these repressive measures, which were due partly to economic and partly to political jealousy, the progress of Ireland was retarded by some of the measures which gave encouragement to English interests. This was especially noticeable in the case of her agriculture. Pococke, in an account of his tour in 1752, gives a most instructive picture of the backwardness of the country in this respect. The Corn Bounty Act (1689), which did so much to stimulate agriculture in England, rendered it convenient for English farmers to grow so much corn that they had a large surplus to export to Ireland. Dublin and other towns could obtain their food supply from England, and there was far less demand for Irish grown wheat than would otherwise have been the case. As a consequence, in the eighteenth century, while English tillage was advancing steadily, there was little corn grown in Ireland, even in those parts which were naturally well adapted for it. It thus came about that Parliament, in the interests of the power of the mother

English and
Irish Protec-
tion. The
Union.

country, felt justified in repressing the hostile competition of the colonies and Ireland. While they welcomed such development in the West Indies and America as supplemented the resources of the mother country, they gave no free scope to any Irish industry, and the measures which promoted the prosperity of England were positively injurious to its poorer neighbour.

When, after the Declaration of Independence by the American colonies, greater freedom was given to the Irish Parliament to manage the commercial affairs of that kingdom, various efforts were made to adopt the various expedients for promoting economic prosperity which had been carried out successfully in England. Some of these—like the canals—were not well adapted to the condition of the sister Island, though useful in this country for the conveyance of mineral wealth; others were of a costly character, and the disciples of Adam Smith denounced them as ruinous. Irish patriots gave expression to a not unnatural hostility to English manufactures; and the measures passed by the Irish Parliament found few defenders on this side of the Channel, while they were important elements in turning public opinion against Irish commercial independence and in favour of a closer union between the two countries.

CHAPTER VII.

MONEY, CREDIT, AND FINANCE.

95. FROM the very earliest times of which we have any records the English appear to have been acquainted with the use of money. We cannot go back to any period and say that in it there was no exchange of commodities, or even that goods were only bartered for goods while money was not used at all. Still there has been very great progress made both in regard to the knowledge of the nature of money, and also in applying it to many transactions which were for centuries carried on without it. Some economists speak of the times, or the spheres of life, in which men procure their food and shelter without the intervention of money as instances of *natural economy*, and those in which money-bargains occur as cases of *money economy*. There has been a gradual substitution of money economy for natural economy in almost all the relations of life; some of the most difficult problems in economic history arise from our attempts to trace the steps of this change, and to show how it has reacted, for good or for evil, on social and political life.

It is easy to see that the introduction of money renders it much more easy to carry out an exchange. Barter is cumbrous, and it is also unlikely to be fair: it is difficult to

estimate the quality of any goods quite precisely, or to pay for them accurately in cattle or other forms of wealth which are not easily divisible. Close bargaining is only possible when money is in ordinary use, as a means of defining clearly and paying accurately; and so it is a great assistance in rendering bargains fair as between man and man. When there can be such close bargaining, it is possible to readjust the terms of exchange more accurately with every little variation in the plenty and scarcity of goods. So long as barter prevails, there are likely to be customary payments of rent, wages and taxes; but as money is introduced, there may be frequent rearrangement of these payments and they come to be settled by competition. The *régime* of competition is almost impracticable among people to whom barter is the only method of exchange known. When money is first introduced in any sphere, there may be a long period of fixed or assessed money prices which perpetuate the old arrangements in a new form; but sooner or later competition, with its frequent and precise readjustments of prices, is likely to follow the introduction of the method of reckoning and of paying in money.

Competition is in these days a word of evil omen; its oppressive effects on some sections of society are very sad, and many of us are inclined to look back with regret to the more stable conditions of customary prices and assessed wages. But it is well to remember that competition has come into being as the result of the introduction of money economy; whatever incidental disadvantages there may have been in this change, there are also enormous advantages, which we are apt to overlook. These become very apparent when we trace the substitution of a money for a natural economy in connexion with the expenses of government. The intervention of the former renders it

possible for the demands of the Government to be much more precise, and much more regular, and thus to be far less onerous to those who have to defray them. Money can also be levied in smaller sums and from a much larger circle, so as to be less burdensome to special localities; while it is possible to readjust the amounts and alter them in detail, so that the necessary pressure shall fall on those who can bear it best. All these points come out in the fiscal history of the country; but before dwelling on them we must note the principal changes that have been made in regard to money itself and the growth of experience in the employment of silver and gold and other forms of money.

96. In the period before the Norman Conquest and indeed long after it, silver was the standard metal from which money was coined; and though there were moneyers in different towns, they exercised their calling under the control and authority of the Crown. There were, indeed, encroachments on this, as on other Crown rights, from time to time; but during periods of strong and vigorous government, great attention was given to the maintenance of a definite standard of purity and weight. Henry I inflicted severe punishment on dishonest moneyers, and Henry II busied himself about the re-organisation of the Mint; from his time onwards the excellence of the English coin came to be a matter of just pride to the kings whose image and superscription it bore.

Some allusion has been made above (p. 127) to the difficulties which arose, during the time of the Edwards, when considerable quantities of debased foreign coin were brought into this country by the alien merchants who came to purchase wool. Edward I tried to prevent the introduction of such

coin, so as to keep up the standard of the English currency ; but Edward III took the first step in a downward career, by issuing coins from the Mint of less than the ancient weight. It is almost impossible for good and bad coins to circulate together at the same nominal value ; people are apt to pick out the best coins, either because they wish to hoard them, or to melt them down and use the bullion for export or for ornament. The effort to keep up the ancient standard of the currency had not been successful ; Edward III probably tried to issue new coins that should be of about the value of those in ordinary circulation. He also seems to have tried to check the influx of debased silver, by coining Rose Nobles of gold, which were to serve the purpose of international trade with Flanders, and which were emblematic of his claim to the sovereignty of the sea. This left less excuse for the importation of corrupt foreign silver, but he did not succeed in excluding it altogether. In many continental countries, during the fourteenth century, the debasement of the coinage was very rapid ; there was a slight temporary gain to the Crown, and the ulterior effects were not fully understood, though expounded with great clearness by a French bishop—Nicholas Oresme. Eventually English kings betook themselves to this disastrous method of tiding over temporary necessities. A wholesale debasement of the English coinage took place in the time of Henry VIII and Edward VI, when the coins were not merely reduced in size, but the metal was debased by a very large admixture of alloy. The coins of one issue of Edward VI contained only three parts of pure silver to nine of alloy. The economists and moneyers of the time did not fully realise the mischievous effects of this debasement, and much care was needed to reassert sound principles, and to give them effect in the earlier years of Queen

Elizabeth. In 1561 the silver coinage was restored to its original purity, but the new issues were smaller in size and weight than the statutory coins of Plantagenet times. A pound of silver was not minted into merely twenty but into sixty shillings. That recoinage marks a date when the responsible officers had learned from experience one useful lesson about the nature of money. As the *Discourse of the Common Weal* shows, public opinion in the time of Edward VI was not clear as to the evils of a debased currency, but, from the time of Elizabeth onwards, no English Government has ventured on the dangerous expedient of deliberately tampering with the standard.

97. For alterations in the size or purity of coins necessarily bring about alterations in the number that must be paid for goods of any kind. If the quality of the money is worse, it is necessary to pay a greater quantity of coins than before, for any given article. In technical language, if the value of money falls, the prices of commodities of every kind must rise. Prices rose in the time of Edward VI; the coins were so bad, that the buyer had always to pay a greater number of shillings than before to induce the seller to part with his wares. But when the purity of the coins was restored to its ancient fineness, prices did not return to their old level, as people had expected. This was partly due to the fact that the coins were smaller than formerly, but it also arose from another cause that was not obvious until many years after the recoinage occurred. The silver of which the coins were made was much more plentiful, and therefore far cheaper, than it had ever been before. The first half of the sixteenth century was a time when silver was beginning to pour in from the New World, and there was a consequent fall in its value, which prevented prices

The fall in
the value of
silver and rise
of prices.

from returning to their old level. In the reign of Elizabeth customers had to pay a larger number of pieces of cheap though pure silver for the purchase of commodities than they would have had to pay for the same goods at the beginning of the reign of Henry VII, when silver had been so much more scarce. This rise of prices, consequent on the increasing plenty of pure silver, went on steadily till about the time of Charles I; and it is generally calculated that during this period the nominal prices of commodities in England rose three or four hundred per cent.

98. These changes in the coins and in the value of silver render it exceedingly difficult to make any satisfactory comparison between money prices during the Middle Ages and at the present day. For a very long period the price of corn in England was nearly stable.

Difficulty in finding or applying a standard of value for long periods.

As, during this period, silver was getting scarcer and scarcer, and steadily rising in value throughout Europe, it appears probable that a deterioration of the coinage was going on slowly, or the rise in the value of silver would surely have been reflected by a fall in general prices. There appears, however, to have been one epoch at which the general range of prices was somewhat disturbed. The booty, procured by English soldiers from the town of Calais and the French campaigns of Edward III, appears to have got rapidly into circulation, and to have been sufficient to cause a slight rise in the general range of prices about 1347 and 1348. This seems to have given real ground for discontent with the attempt of the legislature, in the Statute of Labourers (1350-1), to force back the rates of payment to those which had been current in the year 1346. But on the whole it may be said that, from the earliest times when accounts are kept until the beginning of the Tudor period,

the nominal prices of the necessities of life were practically unaltered, except in so far as the variations of the seasons made corn plentiful or scarce. The changes which occur in the sixteenth and early part of the seventeenth century were owing to the reduction of the coins to less than a third of their former weight, and the reduction of the value of silver to one-fourth of what it had been. As a rough and ready method of comparison it may be said that a shilling of the later part of the seventeenth and succeeding centuries would not go quite so far as a penny in the fifteenth and preceding centuries. But this comparison of nominal prices, rough as it is, only takes us a very little way towards making any intelligent comparison of the standard of comfort. Partly from lack of information about the quality of goods, it is very difficult to compare medieval prices with those of the present day; even if such a comparison could be had, it must still be borne in mind that many of the comforts of modern life were entirely unknown, and wholly unattainable even by wealthy people in the Middle Ages.

99. From the time of Elizabeth until the Revolution there seems to have been comparatively little alteration in the coinage. The throes of the Civil War appear to have made but little difference in the issues of the currency. At the same time there can be little doubt that during this period the coinage was subjected to a very special strain. Money transactions were much more common than they had been in medieval times. The circulation of the coinage was more rapid, while there was less desire to hoard, and more encouragement for wealthy men to leave their gold with goldsmiths who lent it out to traders. The facilities which paper money gives were, if not wholly unknown, at least little developed. Exclusive

The recoin-
age of 1696.

reliance on bullion for payments exposed the coinage of the country to wear and tear, while it was also alleged that many of the money-dealers habitually enriched themselves by clipping it. In the time of William III, consequently, English coinage was again in a very unsatisfactory state. The chief practical difficulties which arose were felt in intercourse with other countries. William III had to maintain large armaments abroad; and to procure the necessary coin for payments in the Low Countries, he had to meet an adverse rate of exchange. One hundred and thirty-three nominal pounds of the clipped silver of this country had to be paid in order to secure a hundred pounds of current silver in Flanders. Hence the burden of taxation was immensely increased. As Professor Thorold Rogers has shown, the immediate effect of the recoinage of 1696 was to remedy the serious disadvantage under which England laboured. The adverse rate went gradually backwards, and within a few months the rates were so far equalised that nominal payments in this country exactly corresponded with the money obtained for military purposes from bankers in Flanders.

100. Eighteenth century difficulties about the coinage were of a somewhat different character. They arose from the fact that gold and silver were The gold standard. alike standard coins, and that it seemed impossible to fix and maintain the ratio of one metal to the other. In the time of Charles II guineas had been coined, which were intended to be of the same value as twenty shillings in silver. It was found, however, in practice that the gold was more valuable than had been supposed, and that twenty-one shillings were an approximate equivalent. But this was only approximate. Silver coins were, on the whole, rated somewhat too low, and there was a temptation to melt down silver coins and to sell the bullion for gold. The deficiency

of silver coins was, in consequence, a matter of frequent complaint, and the inconvenience, which resulted, served to give popularity and vitality to the mercantilist doctrine of legislating to secure a balance of trade. It was not until 1816 that a real attempt was made to get rid of the difficulty altogether by the demonetisation of silver. When gold became the sole recognised standard of value, silver could be coined with such an amount of alloy that it should never be profitable to melt it down; while, when a limit was fixed beyond which payments in silver should not be legal tender, debtors were prevented from endeavouring to discharge their obligations in the less valuable of two standard metals. It may be possible, as bimetallists hope, to arrange by legislation and international agreement for a standard that shall be more stable and less fluctuating than gold. This, too, is liable to changes, such as occurred when Europe was flooded with the precious metals obtained in the New World, or there may be an exhaustion of the sources of supply such as was felt during the Middle Ages. It may be that a combined gold and silver standard—like a compensating pendulum—would serve better than either metal taken independently and by itself; but the experience of centuries seems to show that attempts to use one or other of two metals as a standard is sure to cause grave difficulties either within a realm or in the relations of international trade.

101. The foundation of the Bank of England (1694)

The Bank of England and bank notes. had very important effects in popularising the use of paper money and other forms of credit.

The Bank was a company which lent its capital of £1,200,000 to Government on condition of receiving £100,000 permanently as interest. This constant revenue gave it a strong position as a wealthy body, and the Bank was able to circulate its notes, or promises to pay, as if they had

been actual coins. The public had confidence that these notes could be exchanged for gold on demand, and were therefore willing to take them as the equivalent of gold. The private firms of goldsmiths, with whom the Bank competed, made a serious attempt soon after its formation to discredit its notes by causing a run on the Bank at a time when, owing to the recoinage, there were special circumstances which rendered it difficult to obtain the necessary bullion. The Bank, however, defied this conspiracy; and as it was able to meet the bona fide demands of its ordinary customers, the incident does not appear to have done any serious harm. This was, perhaps, the first instance of a problem which has had to be faced again and again—namely, to determine what reserve should be kept in a bank, so that it may be able to meet its engagements and to pay gold for all the notes that are presented. In Scotland where one Bank was started in 1695, and another in 1727, banking was not the monopoly of one great company, such as controlled monetary transactions in London, and a large body of experience on this point was soon formed. At one time an attempt was made to render a sudden run upon the Bank of Scotland impossible, by issuing notes which were convertible, not on demand, but only after a definite interval had expired. Owing to this restriction, however, these notes were *depreciated* and did not circulate on the same terms as gold, or as notes which could be readily exchanged for gold. In another case, that of the Bank of Ayr, there was a very considerable over-issue of notes, and when the bank failed through the dishonesty of a manager, there was very widespread commercial disaster throughout Scotland. In the case of these Scotch banks there were ready tests, if any miscalculation was made; the notes either failed to circulate at their nominal value, or they were repaid with great ra-

pidity, through the ordinary channels of trade, to the banks which had issued them, and the general range of prices was not greatly affected by their operations.

The Bank of England, however, was in a special position, as its notes were guaranteed by Government. When, at the close of the eighteenth century, Pitt made repeated demands for advances from the Bank, the governors were at last unable to meet their notes with gold, and they were forced to suspend cash payments (1797). When this occurred, the ordinary indications with regard to notes ceased to operate. The notes formed an inconvertible paper currency; their value merely depended upon their scarcity, and their scarcity depended upon the wisdom of the directors in not issuing too large a number. But the tests which had served, during the eighteenth century, for judging whether the issues were excessive or the reverse were no longer available (p. 152). There was a general rise of nominal prices, but it seemed as if this might be due to other causes, such as bad harvests or the exigencies of war. Though the Bullion Committee of the House of Commons (1810) detected the real cause, and showed that there had been a depreciation of the currency by an over-issue of inconvertible paper money, still Parliament and the nation were not convinced. It was not until 1819 that the evil was remedied, and that the gold standard was once more restored by the resumption of cash payments on the part of the Bank of England.

102. The development of banking, and especially the foundation of the Bank of England, led to

Loans; the
Bank rate,
and the Act
of 1844.

some modification in the habits of traders. They became more and more accustomed to trade on borrowed capital. By means of their credit in the commercial world, they were able to obtain loans from bankers, and to carry on business on a

far larger scale than would have been possible had they been limited to their own capital. Their credit enabled them to procure capital; and the development of this credit system gave great opportunities for the expansion of trade. In the earlier part of the eighteenth century, when the financial power of credit was generally recognised, people were inclined to exaggerate its importance, and to regard it as a substitute for capital. But the credit of a trading company is not capital; and unless it is so used as to procure the use of capital by borrowing, it does not really help to expand a business largely. The directors of the East India Company and of the South Sea Company were guilty of blunders in this matter. They expended their capital in procuring political advantages, and then got into difficulties through want of sufficient means to carry on their commercial undertakings.

As time went on, however, larger masses of capital were formed, and commercial men began to count on being able to borrow money from the Bank in the ordinary course of business. When trade was going badly, the Bank was accustomed to raise the rate at which it granted accommodation to traders; if this was done gradually, the Bank was able to avoid making new loans and thus to strengthen its own financial position, without giving any shock to credit in commercial circles generally. The raising of the rate tended to make prices in England fall, and thus to encourage exports and diminish imports while it also tended to induce foreigners to send money to this country for investment at the higher rate of interest procurable. Thus, in more ways than one, the raising of the Bank rate tended to bring about a favourable state of the exchanges, and a flow of gold to this country which would, sooner or later, find its way to the coffers of the Bank. It could thus strengthen its position

and proceed to lend money on easier terms once more. The Bank was so well managed that in 1763, when the Hamburg banks failed and there was widespread disaster on the Continent, the crisis did not extend to England. Similar good fortune attended their proceedings in 1782. In 1797, however, when Pitt borrowed so largely, the Bank rate was raised very suddenly, and was practically prohibitive to merchants who hoped to get the usual accommodation. The scare, caused by this action on the part of the Bank at a time of general commercial anxiety, augmented the evil, and very serious results followed in the City from a course which, at this distance of time, it is not easy to defend.

During the period when cash payments were suspended and the currency was partly depreciated, the Bank directors were unable to avail themselves of the indications given by the exchanges, and to control the state of credit in the City. But it was a disappointment that when cash payments were resumed, there was not the success which had been hoped for in avoiding financial trouble. There was a very bad crisis in 1825, and nearly twenty years later it was thought necessary to reconstitute the powers of the Bank of England, by what was known as the Bank Charter Act (1844). By this, the department of the Bank which issues notes was absolutely severed from that which makes advances and carries on ordinary banking business. In this way an attempt was made to separate the difficulties connected with the currency from those which arise through the fluctuations of commercial credit. The critics of the Act have complained less of what it has done than of what it has left undone. It has been held by many that the expedients requisite under the Act may sometimes lead to such precipitate action as to aggravate an impending crisis,

and to diminish the subsequent power of the *Bank to grant* needed assistance. Other critics are doubtful whether, considering the scale on which business is now done, there is anything like a sufficient reserve to render the Bank as safe as it is habitually supposed to be. The impression that the Government will somehow see it through any period of disaster gives it a status which may enable it to maintain the credit system of the country on a far smaller basis of cash than would otherwise be possible.

103. All these facilities for currency and finance were only gradually utilised by the Government for public purposes. In the time of the Norman kings the main support of the Crown came in kind from the royal estates (§ 24); the king lived 'of his own,' and much of his own would be stored for the use of his household as he travelled from one estate to another. Even the taxes which were paid into the Exchequer seem to have been sometimes paid in kind, as late as the time of Henry I; and when we remember that the king relied for his army on personal services rather than on paid forces, we see that money entered to a comparatively small extent into the finances of the realm. The same holds true at first of other demands and of taxes on trade. The king had a recognised right to obtain certain commodities for his personal needs and those of his household, and to receive a share of the imports and exports. It was a real protection to the subjects when these rights ceased to be arbitrary and became definite. Thus the practice of caption gave place to a recognised privilege of *pre-emption* by the king's purveyors, though, even as late as the time of the Long Parliament, there were many grievances resulting from the manner in which they exercised their powers. It was also a real boon when the customs came to be taken

Payment in kind and by service. Arbitrary and casual taxation.

at understood and definite rates, when the *prise* of wine was limited, and excessive tolls (*malæ toltæ*) on wool were given up. In the last case a rate defined in money set the limit to arbitrary demands: this was a great boon to traders, for the effect of arbitrary taxation on trade is most prejudicial.

With the growth of Parliament under Edward I and Edward II the Commons obtained the power of stopping that arbitrary taxation against which their forefathers had protested in Magna Carta. In Norman and Plantagenet times taxation on land and on personal possessions (1181) was levied in money, and was casual in incidence rather than arbitrary in amount. Different tenants held by different tenures, and the royal demands came upon them in different forms and on different occasions. In some years there might be demands of *aids* from tenants on the royal demesne; sometimes there would be a *scutage*; sometimes the towns were *tallaged*, while Henry III and Edward I occasionally obtained the right to share in the spiritual taxation which usually went to the Pope. Though taxation in the time of Henry III was very frequent and very heavy, there were no two consecutive years in which similar payments were made by similar persons. The occasional and haphazard nature of taxation must have rendered it very inconvenient to many of those who were called upon to pay; indeed, at this stage, it illustrates some of the evils of a money economy, for these irregular demands gave great opportunity for the operations of Jews and other money-lenders. Hence it is not surprising that when the machinery for collecting taxation came to be organised in Parliament, special care was taken to render taxation regular so far as might be. The taxes which were voted were still occasional, but they were taken as far as possible at a regular rate, and

causes of dispute as to what each man ought to pay were greatly reduced. The most striking inequalities in English taxation in later times seem to have arisen from the instinct of maintaining regularity at any cost and of clinging to the fiscal arrangements once made, even when the circumstances for which they were originally devised have wholly altered.

104. One striking illustration of this tendency to prefer a fixed money payment to variable demands may be found in the great financial agreement of 1334. The taxation of moveables before this time had been made by means of assessments of the actual possessions of the persons taxed. In some cases these had granted exemption for the stock and tools of the labourer; in others the tax had been levied more exhaustively. Sometimes taxation had been levied at one fractional part and sometimes at another, but in 1334 it was determined that the king's commissioners should agree on a composition which each town or village should pay, as the equivalent of a tenth on moveables within the towns, and a fifteenth on the counties. The terms *tenth and fifteenth* henceforward meant a sum of about £39,000, and when Parliament voted two or more tenths and fifteenths there was an understood sum which each district was called upon to pay.

Tenths and
fifteenths.
The Tudor
subsidies.

This arrangement lasted until the reign of James I, but long before that time difficulties had arisen. Some parts of the country decayed and were unable to contribute their quotas, while other districts prospered without having to pay any additional charges. Towards the close of the fifteenth century, in particular, we read of many towns which obtained exemption. Sometimes a total of four thousand pounds and sometimes no less than six thousand were remitted. Still the expenses of government were apt

to expand ; and, while these remissions were being made, there was need of extra assistance in emergencies, such as occasioned the celebrated poll-taxes of 1377 and 1381 ; while the defence of land and sea imposed duties on the Crown which it was not easy to fulfil. Convoy money was taken from certain ships, and attempts were made to organise some defence for the coasts. But these things hardly affected the general taxation of the country, as the revenue was levied, so far as possible, from those who benefited directly by the new arrangements. It is extraordinary, too, to see how large a field, covered now-a-days by regular government organisation, was then left to private munificence. The maintenance of roads and bridges was but little attended to except when it was undertaken by the charitable and the pious. Even the burden of defending the realm against the Spanish Armada was largely borne by loyal subjects, who voluntarily came to the aid of their queen. This personal sentiment of loyalty and willingness to make voluntary sacrifices was shown for the last time in the Civil War, when it was an important element in the equipment of the army of Charles I.

Under Henry VIII a serious effort was made to readjust the fiscal system of the country to the condition of its material prosperity. The tenths and fifteenths were supplemented by a general subsidy of 4s. in the pound on the yearly value of land and 2s. 8d. in the pound on personal property. Those who came under this denomination were known as 'subsidy men'; after its imposition in 1514 there was no real attempt at subsequent modification, although a fresh assessment was made each time. A subsidy came to be a fixed expression for a sum of nearly £100,000, and the proportions, which each had to pay, merely followed the original levy of the tax

105. The fall in the value of silver during the sixteenth century had serious effects in a state which had so completely adopted a money economy. The change affected all who lived on fixed incomes, as many landowners did ; in so far as they were unable to raise their rents, they received the same money as before, while they had to purchase all that they required at much higher rates. If ordinary landowners felt this severely, the difficulty fell with special force upon the Crown. The revenues from Crown lands could not be increased rapidly, and there was difficulty in procuring additional resources from taxation. It was becoming obvious that taxation must afford the regular source of national income not only in emergencies, as hitherto, but in ordinary times. Elizabeth was ingenious and parsimonious enough to evade the difficulty, and the whole task of reconstituting national finance in accordance with the necessities of the times was still undone when the Stuarts succeeded to the Crown. Their financial difficulties may have been increased through their own mistakes, and through the folly of some of their agents, but many of their difficulties were inevitable. The Tudor kings and their courtiers had wasted much of the ancient heritage of the Crown, while the new conditions of European politics and the place which England was taking, as an important power in Europe, made it necessary that she should have a navy, and that the royal treasury should be replenished. While there was a real plea of necessity for much that Charles aimed at, there was also an excuse for discontent. The purchasing power of money had fallen, but the sums which Charles I obtained were nominally very large, and the non-success, for which lack of resources was partly to blame, appeared to show that he and his ministers were utterly incompetent. Between the real

Financial
difficulties of
the Stuarts.

needs of the Government and the apparent mismanagement of the Crown officers the financial position became more and more strained, and was one of the most important elements in the quarrel which gradually widened into a Civil War. The most important financial expedient at which Charles I aimed was that of somehow or other introducing an *excise*, or tax on goods produced and consumed within the country. It was easy to see that some such expedient as this would be very profitable. Each consumer might pay very little, but the total revenue to the Crown would be very large. Strafford endeavoured to do something of the sort in Ireland by means of a salt tax; and if the monopoly in soap had been carried through, as it was designed, Charles would have practically secured an excise on this commodity. But the strength of public opinion was too great to allow of his even attempting to procure a revenue by avowedly imposing an excise, and he had no success in the indirect efforts with which he attempted to attain this object.

The attempt to impose an excise was due to a statesmanlike effort to distribute the burden of taxation over the community generally, instead of allowing it to fall entirely on certain classes. Throughout the Middle Ages, there must have been large sections of the population who contributed little, if at all, to the national revenue. The tenths and fifteenths, and the Tudor subsidies practically fell upon landowners and upon householders in towns. Imported commodities were of the nature of luxuries, and those who did not consume them were unaffected by the rates at which they were charged. Of the labouring classes generally it would appear that the pressure of taxation hardly touched them at all. The excise was approved as an expedient for distributing the burden of taxation as widely as possible,

but Charles I failed to secure it, and it was left to those who defeated him to carry out this project.

106. The Parliamentary party were forced to raise money for the support of their army, and in this emergency adopted financial methods, which had been tried by the Dutch and approved by their experience. They levied monthly assessments from the landowners, or from tenants who could recover the amount from their landowners, and they also introduced an excise on beer. The measure was very unpopular, but it was very profitable; and, when once introduced, it became a permanent source of revenue. The successful organisation of the Post-Office as a money-making concern dates from the same period; and these two expedients were retained and perpetuated, when the whole financial system of the country was reconstituted at the Restoration. The new system followed the lines of the temporary methods of the Parliamentary party, and did not revert to the ancient methods which had continued in vogue until the fall of Charles I.

Parliamentary
and Restoration
finance.

The Restoration Parliament was the first body which accepted the new order deliberately, and set about providing for the regular and ordinary expenses of the Crown by means of taxation. This would have been a difficult question at any time, but under the special circumstances of the moment, when the country was suffering from the effects of the war and from a famine of unexampled severity, it was no easy matter to devise expedients for raising a suitable revenue. They endeavoured to provide a regular income of £1,200,000; of this over £100,000 was raised by granting a hereditary excise, which was given in lieu of the money accruing to the Crown from feudal incidents like wardship and livery, while the claims from purveyance and pre-emption

were also to be surrendered. All the advantages of this bargain lay with the landowners and especially with the tenants of ancient demesne, while the excise fell on the public at large, and the justice of an arrangement by which the burdens of the land were thrown upon the general consumer has been much criticised. It is probable that little was thought of it at the time. Public opinion had become accustomed to an excise, and there was less inconvenience in perpetuating the existing system than in trying to raise a much larger revenue by the direct taxation of the land. In levying taxes from the land, they were also careful to maintain the existing arrangements. The inequality with which the land-tax was levied in the home counties, as compared with the outlying counties, serves to reflect the difficulty felt by the Parliamentary party in collecting revenue from the royalist districts at the period when they imposed the tax. But curiously unfair as it was, it affords another illustration of the English preference for paying at a known rate, rather than for introducing a method which, by being more flexible, should be less regular and more fair. The Restoration Parliament had probably but little thought of abstract justice, and were chiefly concerned with the possibility of collecting a revenue at all. By maintaining the *de facto* system, however, they avoided the evil which arises from changes in the method of taxation, and by distributing the burden widely they were able to build on a firm basis a revenue system by which the ordinary expenses of government should be regularly defrayed out of taxation.

107. So far we have reviewed the changes in the fiscal system which followed the introduction of a money economy in matters of state. The development of credit was also important. Few English kings have been able to keep out of debt,

Public borrowing. The Bank.

and some, like Edward III, have broken faith with their creditors. When Charles I borrowed to pay the Scotch army in 1641, he was compelled to do so on the joint security of Parliament and himself, and thus incidentally forfeited the power of dissolving Parliament without its consent. In the post-Restoration period, public borrowing came to be part of the regular methods of finance and was no longer resorted to merely in emergencies. The Government was accustomed to borrow money from goldsmiths on the assignment of grants which were already voted, but had not been collected, and the goldsmiths could count on the early repayment of their loans, as soon as the taxes came in. In 1670, however, Charles II endeavoured to retain this money in his own hands, by stopping the payments out of the Exchequer which were due to the goldsmiths. By this breach of faith he caused much consternation in the City, and many of the public, whose deposits had been lent to the Crown, were also sufferers. A certain amount of interest was paid to these creditors, but the principal was never restored, and came in time to form the nucleus of the National Debt.

The National Debt, as a regular institution, may be said to date from the time of William III. He was engaged in a lifelong struggle with Louis XIV, and was ready to strain every nerve to carry it on. The Bank of England was a scheme which was hastily floated at the end of a session, when other financial projects had fallen through. It was not very favourably received in Parliament, but was eagerly taken up in the City, and the full amount required was soon subscribed. William III obtained £1,200,000 to use at once in the war, while he only had to raise £100,000 by taxation. He also obtained an immense political advantage by cementing the adhesion of the monied classes who sub-

scribed to the Bank. The subscribers obtained regular interest in perpetuity for their money. This was secured to them on the credit of the Government, and by the assignment of the income from a tax on the tonnage of ships. They also had a monopoly in conducting banking business, and from the first they prospered greatly. But the success of this expedient was dangerous. The Government were tempted, again and again, to negotiate large loans from companies to which special trading privileges were conceded. The conflict between the old and the new East India Company (p. 116) and the subsequent history of the South Sea Company have sufficiently put on record the wild character of much of the finance of this time.

108. With the beginning of the Georgian era there was

The incidence and pressure of taxation.

less immediate need for meeting special emergencies, and attention was chiefly directed to possible expedients for paying off the debt. The pressure of interest, along with the expenses of government, made it by no means easy to raise sufficient revenue, and Walpole's peace policy was probably dictated by a desire to improve financial conditions. There was a steady increase of national resources, but at the same time this was so slow that there was real difficulty in procuring the necessary revenue, and it seemed important to nurture the growing wealth of the country with extreme care. It was consequently under Walpole (1721—42) that the whole taxation of the country was recast in accordance with the principles of the mercantile system. By the introduction of bonded warehouses, he helped to make England a depot for the carrying trade, and by systematizing the duties levied on foreign manufactures and the bounties given on native products, he endeavoured to institute such tariff arrangements as should contribute to the general prosperity of the country.

The principles had been laid down long before, but it was only under Walpole that they were consistently put into practice. As has been pointed out above (p. 132), there are grave reasons for doubting the wisdom of the best intentioned methods for directing and fostering national industry. What with the industries that were hampered, the opportunities that were given for fraud, and the unsuitable trades that were galvanised into life, the benefit which was believed to accrue through Sir Robert Walpole's well-meant efforts must have been greatly frittered away. At the same time it must be remembered that, whether through his arrangements or in spite of them, the country steadily prospered on all sides of its economic life under the *régime* which he systematised. He was the first English statesman who took carefully into account the incidence of taxation with a view to obtaining a definite national object and not merely for the sake of revenue purposes.

This was a principle against which Adam Smith made an effective protest; he did not think taxation should be used to promote any commercial object. He had had opportunities in France of investigating the fiscal systems of different countries, and he applied economic doctrine to the problems of the incidence and methods of taxation much better than had been done by previous writers. Under his influence North introduced the succession duty, and the effect of the *Wealth of Nations*, published in 1776, was much more clearly seen when Pitt came into power (1783). This minister carefully followed Adam Smith's views as to the incidence of taxation, and endeavoured to distribute the burdens so that they should fall as lightly as possible on the poorer classes. This was apparent both in the remissions made in the earlier part of his career, and in the mode in which he imposed heavy taxation at the beginning of this century. His great

expedient was a *Triple Assessment*, which may be regarded as the forerunner of the income-tax. His borrowing was reckless in the extreme. When Government credit was becoming exhausted he did not borrow at high rates, but accepted sums of £80 or £90 as the equivalent of £100 of stock borrowed at relatively low interest. In this way he burdened the nation with a large nominal debt which, just because it was running at low interest, could not be readily extinguished by subsequent loans. But though his action was reckless he had considerable success in lightening the burden of taxation for the community at large.

His work in this respect was carried on by Huskisson and Peel. They were interested in reducing the pressure of taxation on the poor, while they also believed that by lightening the burden of taxation the general prosperity of the country would be greatly increased. The very motives, which had led Walpole to construct a complicated system of duties and bounties, weighed with financiers a century later in their efforts to remove them. It seemed to be a risky experiment. The country was suffering from depressed trade, and it was difficult to make both ends meet, but, notwithstanding, the tariff reforms were carried through. Peel was careful to impose some temporary tax, which might serve as a source of revenue until his remissions had time to stimulate trade, and to bring in a larger revenue at the lower rates. In his general scheme he was singularly successful. There was a rapid expansion of industry, which was felt all the more clearly when the free trade experiment reached its culmination in the repeal of the Corn Laws (1846). Since his experiments have been thus completely justified by success, it seems unnecessary to recall the criticism to which they have been subjected; it must, however, be remembered that progress was already being made

towards very general free trade by means of commercial treaties, and that, though the sudden adoption of free trade gave us a great advantage for the time, we have lost the means of bargaining with other states, so as to prevent them from imposing hostile tariffs against ourselves.

109. There is no serious proposal to return to a condition of barter in ordinary transactions, and there can be no doubt that the substitution of money finance for payments in kind to the Crown and personal service is advantageous in many ways. The burden of taxation is more precisely known, it is more regular, it is more widely distributed, and it is more adjustable; there is a real benefit in many directions, especially where industry and trade are concerned. To a very great extent these generally recognised advantages in national affairs are typical of benefits which have ensued in other departments of life from similar changes. The man who works in definite hours for specified wages may have a hard life, but his obligations are more certain and his reward is better defined than in the case of the slave or the serf (§ 125). Close bargaining and competition give opportunities to the man of energy and enterprise; they appear under some conditions to be unfavourable to the well-being of the weak and the ignorant. But at least under a money system, we may have definite statements as to the condition and resources of those who are worst off, while under a more primitive economy the details cannot be clearly and precisely put forward. To know the extent and the nature of evils is one step towards finding a remedy, and the substitution of a money for a natural economy gives us the means of acquiring such knowledge.

The advantages of a money economy.

CHAPTER VIII.

AGRICULTURE.

110. IN no single art is it more easy to trace the course of progress than in one which, like tillage, has been assiduously practised from the earliest times.

Extensive cultivation.

The most primitive sort of agriculture is that known as *extensive* culture—a system which can only be practised by a people with a very large area at their disposal. Each year they clear and till a space sufficiently large to raise the necessary crops, or as much as may be possible with the stock and seed at their disposal. In some parts of the world, as for example in certain parts of India, where this method is still pursued, the ground is cleared by burning the coarse grass and brushwood which cumbers it, and the ashes supply a useful ingredient to the soil during the year it is under crop. When the harvest is over, the land is simply left idle. In the immediately succeeding years, other tracts are cropped in turn, until after an interval of several seasons necessity compels the use of a portion which has, at some earlier time, been under tillage. If eight or nine years elapse before it is necessary to revert to the same soil, the land has so much time to recover that the process may be carried on almost indefinitely without exhaustion.

This extensive system of cultivation is very adaptable. It may be used by nomads, who have no settled habitations, but who are able to linger at some point in their wanderings while a crop is being taken. It is possible even for a seafaring people to linger for some months on shore and re-victual their ships from crops they have raised. This the Phoenicians did in their great voyage round Africa, and the Danes in Northumbria resorted to a similar expedient. It is the simplest and least laborious system, and may be retained for many generations by a people who have definitely settled down; while it may also be practised as a means of supplementing their resources by men who are acquainted with, and habitually use, more arduous methods of tillage. In this way it survived in Aberdeenshire at the end of the last century; there the *out-town lands* were cultivated extensively, while a much higher system of farming was adopted on the *in-town* fields.

If, however, the area at the disposal of a family, or group of families, is so restricted that they have to return to the same field within five or six years, Intensive cultivation. there is not sufficient time for the recuperative powers of nature to operate, and the soil becomes exhausted. We may speak of a time, when the whole capabilities of any land are brought into play for arable purposes, by using it all in turn and as frequently as it will bear, as a point of least exhaustion. When this point is past, it is necessary to resort to artificial means to stimulate and reinvigorate the soil, and with this we have the beginning of *intensive* culture. Intensive cultivation consists in replenishing the soil with manures or other fertilisers, so that it can be used more frequently, and yet not be exhausted. Progress in agricultural skill enables men to wring from the land six or seven times as much crop as they could by primitive methods.

They can get something from it every year, and yet the land is not worn out. It is always assumed that a tenant farmer will return the land to the landlord at the expiration of his lease in good condition. The problem for the agriculturist is to arrange his business so that he can regularly and habitually get as much as possible from the land, without exhausting it. If he is to get a great deal out of it, he will have to put a great deal into it. Much more labour must be expended in carrying and spreading manure and in deeper ploughing, on even the simplest system of intensive farming, than is needed when the land is tilled extensively.

III. When this is recognised, we can grasp more clearly the general course which agricultural improvement has taken. When once intensive cultivation is adopted, if it is necessary to get more out of the soil, more must be put into it. More can always be got out of it, but only by increasingly arduous or expensive operations. Hence has been formulated a principle which is known as the law of diminishing returns. It holds true of any place at any time when intensive culture is in vogue. Each additional application of labour (and capital) to the land will give an additional amount of crop, but not at the same rate as before. Each new effort, be it a week's labour, or £10 capital, applied this year in addition to what was applied last, will be remunerated at a less rate than accrued to previous efforts. Double the labour will ensure greatly increased produce, but still it will be less than double the produce—a larger amount, but at a diminished rate.

This is a physical principle which is plainly true when we remember that labour is only one of the necessary elements for the growth of a crop. By doubling the labour, we do not double the sunlight

or air ; we only improve some of the conditions on which growth depends. Other points must, however, be noticed to render this physical principle instructive in regard to social affairs, or the history of human progress. It only holds true, as stated, for any definite condition of knowledge. If there is such an advance in skill that men understand better how to avoid the exhaustion of the soil, its action is suspended for the time. The rotation of crops is an expedient by which land can be more constantly used without being unduly exhausted ; it does not involve any considerable addition to labour or capital. It serves to prevent exhaustion, and improvements of this type give a great increase to human powers of obtaining food from the soil. The improvement may be so great that it is possible to get enough food from a diminished area, and with less labour and capital than before. But if we take this new condition of skill as a starting-point, the law of diminishing returns will again begin to operate in farther efforts to procure additional subsistence. Agricultural progress has been of two kinds. There has been an advance of skill in avoiding the exhaustion of the soil, but, where no such improvement has occurred, there has been need for increased energy to make up for the exhaustion of the soil, and to replenish it. The improvement in preventing exhaustion has gone on so fast, that it may be doubted whether there is any increase in the drudgery of man and beast, employed in tillage at the present day, as compared with that required to procure the far inferior crops with which men had to be satisfied at the time of the Norman Conquest.

112. When intensive cultivation has once come into vogue, a farther condition follows. The good effects of most measures will last for more Open fields. than one year. The improvement is not exhausted all at

once, and hence it becomes advisable to use the same land over and over again, and not to vary it, as it is natural to do on the extensive system. Instead of fields which change from year to year, the family or village which uses intensive culture will prefer to have permanent fields, constantly kept for tillage, even though there may be sufficient land to enable them to continue the old plan in a modified form. As a consequence, all through the Middle Ages, there were fields in each village, which were permanently set apart for tillage. They were laid out with marks which were never altered, and the divisions of the land, occupied by different people, consisted of narrow grass borders or balks, which divided each large field into a number of acre or of half-acre strips. These *balks* were common enough a century ago, but since that time they have been nearly all destroyed, and the few which remain here and there may be regarded as curious relics of a system which was once universal. The fields were known as *open* fields, because they had no fencing, except during those periods of the year when the crops were growing. At other times the cattle could range without restriction over the whole area of the village, and pick up what they could get, either from the herbage or the common waste, or from the stubble on the open fields.

The open fields were also spoken of as *common* fields, although they were not, in historical times, held in common. In the ordinary village, at the time of the Norman Conquest, the lord of the manor would have a considerable part of the fields cultivated for his own use by the villeins, and their holdings probably all lay intermixed with his own demesne farm. The tenant who held a virgate or yardland would occupy some sixty half-acre strips scattered in

Common
rights.

different parts of the open fields ; but his virgate consisted of a known number of known strips. Like the portions of meadow land, the virgates in the fields were definitely assigned, and no part of the open fields was common property. The common rights to use the fields for grazing purposes only began to operate when tillage was over for the year, and when the fields lapsed for a time into the rest of the waste. All the inhabitants who had land to cultivate and cattle to do the work seem to have had grazing rights on the common waste. But though the fields were not held as common property, there was, in all probability, a great deal of work that was done together and in the same fashion by the different holders of property in each village. They combined to supply teams, at least for the lord's land, and they may have arranged for a good deal of collective work among themselves on the common plan which must have been adopted, according as the lands were laid out in two or in three fields.

This system of open field, with intermixed holdings, or *run-rig* as it is termed in Scotland, seems to be so very inconvenient, that it is difficult to understand how it could have been adopted, and why it should have been retained. It possibly had some advantage in the way of fairness, and the various pieces of land could be distributed more equally, as regards quality and exposure, according to this plan. There is little reason to believe that all the inhabitants of a village were equal in status or wealth at any known time ; but pains were taken to maintain what was fair and equal among such of the inhabitants as were on the same footing. But apart from this, it seems possible that this curious arrangement was first adopted from motives of practical convenience and perpetuated later from the mere difficulty of substituting

Survival of
open fields.

anything else. When the art of land surveying was unknown, and there were no definite measures of area, it was simplest to lay out land by merely breaking it up with the plough, and then to assign an acre—the portion ploughed in a day—to each villager in turn. This was, undoubtedly, the method of assignment adopted while extensive culture was practised, and there was no necessity for any re-arrangement when intensive culture came into use. When, during the last century, the disadvantages of the open field system became obvious, tenants were, with great difficulty, induced to accept any alteration (p. 187). The process of enclosure meant the grouping of their scattered strips into separate and several holdings, but it was not an easy thing for the commissioners to re-assign the lands into holdings that would be considered fair equivalents for the old lands. The difficulty felt in discarding the system—even when its inconveniences were fully understood—may partly help us to understand how it came to be retained for so many centuries.

113. The fullest information which we have as to the methods of cultivation during the Middle Ages is to be found in those writings on husbandry, compiled during the reign of Henry III, to which allusion has already been made (p. 37).

The two
field and
three field
systems.

Of these the most celebrated was due to Walter of Henley. The handbook, which he wrote for the guidance of landlords in the management of their estates, is most useful in helping us to picture agricultural conditions that have long since passed away. He institutes a comparison as to the work which had to be done on the two field and three field system respectively. These were two different methods of working the land, which, while involving precisely similar amounts of labour, yielded rather different results.

According to the two field system the following arrangements were carried out. One field (A) was sown with wheat or rye in early winter. This crop grew until the next summer, was reaped at harvest time, and the stubble was left on the land till the following summer. Thus, during the whole year, the only work done on field A was that of reaping the harvest. The second field (B) was the scene of much more active operations. In late spring or early summer the stubble of the previous year was broken up and ploughed twice; the field then lay fallow for some weeks, after which it was ploughed over again before being sown with wheat or rye in the early winter. Thus while the one field was under crop the whole year, the other was ploughed over three times, enjoyed some weeks of fallow, and was eventually sown with wheat or rye.

The three-field system was similar, save that an intermediate year was introduced. After each field had had a crop of wheat or rye, it was usual in this plan to give it a second crop of barley or oats. This crop was sown in the spring, after the land had been ploughed over once, and was reaped in the autumn. The barley year was brought in between the wheat year and the fallow year of the two field system. According to this scheme there were two years of crop, wheat and barley, followed by one season when the field was fallow, instead of alternate years of crop and fallow. It is obvious that where the three field system could be introduced, it gave a much greater return—two-thirds of the land would be under crop each year, and not merely one half.

Walter of Henley enables us to compare the two systems more closely, as he gives an estimate of the work which a team of eight oxen could be expected to manage on one system or the

*The work of
the teams.*

other. Two hundred and forty acres of work was as much as they could accomplish in a year; and a team could either work 160 acres on the two field system, or 180 on the three. If the three field system was employed—three fields of sixty acres each—the team would plough up the wheat stubble before the barley was sown in spring (60 acres), and would also plough the fallow field three times in the course of the summer, making 240 acres in all. On the two field system the same team could manage two fields of 80 acres each. On one of those, where the crop was growing, no work would be done: the other was ploughed three times—giving 240 acres of work. Thus each team under the three field system could provide 120 acres of crop, as against 80 acres of crop, which were available on the two field system.

Both methods seem to have existed side by side at the time of the Domesday Survey, though it is probable that the three field system became increasingly common in subsequent times; but there was a modification of the two field system which is of some interest. This consisted in dividing the fields into half fields. Each was cropped every alternate year, but the half which bore wheat one year would be sown with barley when next it was cropped. Each half field thus underwent the following rotation,—wheat, fallow, barley, fallow, for four years. When in later times other crops came to be introduced, this four field system, as we may call it, was very easily modified into a four course husbandry of wheat, turnips, barley, clover. Not until the eighteenth century was there much systematic attempt to introduce these modifications and the scientific rotation of crops.

Hence we may say that the two field and three field systems seem to have held their own, from times preceding

the Norman Conquest until the seventeenth or eighteenth century, as the ordinary and recognised methods of cultivation. During this long period there was apparently little, if any, progress in the art of agriculture, and Walter of Henley's *Husbandry*, written in the reign of Henry III, was not superseded by any better work until the time of Henry VIII, when Fitzherbert's treatises appeared.

114. The great plague which passed over England in 1349, when the Black Death swept away about half of the population, seems to have initiated a number of changes in rural life.

The Black
Death and
sheep-farm-
ing.

When the numbers of the labourers were so much reduced, it was impossible to carry on tillage on the old scale, and the area under plough shrank very considerably. It could no longer, as we have already seen (p. 41), be profitably conducted on the old system of bailiff farming, and the re-arrangement of the social grouping and introduction of tenant farming was a gradual process. The scarcity of labour and the demand for wool combined to render it profitable for the landowner to give up tillage and to take to sheep-farming instead. This may be said to have been the first form of *capitalist* farming in England, when the land was turned from tillage to sheep-farming, and was used in the fashion that would afford wool for sale and bring in a good money return in the market. Till the Black Death, the procuring of subsistence had been the main object of the great lords in the management of their estates. Henceforward farming came to be regarded more and more as a business, and those who invested money in it looked for a return, like other traders, from the prices fetched in the market.

The general prevalence of subsistence farming in the early Middle Ages is clear from such treatises as that of Walter

of Henley, who in writing for large owners distinctly recommends it. The estate was to supply the needs of the household as far as possible, so that marketing might be reduced to a minimum. The regular practice was to provide for the household first, and when this was done the surplus was taken to market. This is reflected in the accounts which detail many of the outgoings and profits of the estate in money, but allow for the corn in bushels, and only reckon as much in money as was actually taken to market and sold at the current rates. Since this was the custom of the manorial lords, who could command facilities for the conveyance of corn, it must also have been true of the small farmers who would have more difficulty in regard to carriage.

It seems, then, that subsistence farming was the usual thing in the thirteenth and fourteenth centuries. Money economy was very partially introduced in this department: the farmer did not work with reference to a market, and only offered for sale the surplus of his crop over and above what he required for use. This state of affairs contrasts curiously with what occurred at a later date. The quoted prices of corn in the Middle Ages only represent the rate at which the surplus was sold. The requirements of the rural population were, as we may say, a first charge on the harvest before any of it was sold. Under these circumstances we should expect greater and more rapid fluctuations in price than we find in days when the whole crop is realised in money, and the requisite food is subsequently purchased by the farmer. Farther it may be said that since the farmer worked for subsistence rather than for profit, fluctuations in price did not directly affect him, and that in so far as he was able to contract or expand his operations, he would be

Farming for
the market.

led to do so by his own household requirements rather than by the price he could get for his surplus corn. The contrast becomes most curious when we notice that none of the conditions, which Ricardo assumed as the usual and regular thing, when he wrote his explanation of corn rent at the beginning of this century, had come into being in the fifteenth century. The crops were not thought of as taken to market at all, and the expansion or contraction of tillage did not directly depend on market price, but on the requirements and the industry of isolated households. There had, of course, been many great farming establishments before the time of the Black Death, where labour was carefully organised and much wealth was procured and housed in the granges. But these were not capitalist undertakings in the modern sense; the bailiff did not work with a view to income, but for the sake of the subsistence of the household. Capitalist tillage, as we know it, is very modern, for it is in connexion with sheep-farming that we first come across the rural enterprise of wealthy men, who invested their money in sheep or cattle and were guided in their operations by the state of the markets. They were able to take advantage of the conditions brought about by the Black Death. Land, which was left uninhabited or unoccupied, could easily be utilised for sheep-farming, and there was a marked tendency to turn it to account in this fashion. As the price of wool increased during the fifteenth and sixteenth centuries, the temptation to encroach on tillage and to develop pasture-farming became very strong. At various periods it was accompanied by rapid rural depopulation, and grave anxiety was felt as to the maintenance of our food supply, so that, as pointed out above (§ 50), deliberate efforts were made to check the movement.

115. About the beginning of the sixteenth century, however, an improvement, known as convertible husbandry, was introduced into tillage; this rendered the diminished area much more productive. It consisted of an alternation of pasture and arable farming. A portion of arable land was laid down in grass for a period of years, after which it was then broken up again and used for tillage for a time. This gave a far better chance for the land to recuperate than was possible with the fallowing every second or third year, while it involved the breaking up of the permanent fields. The husbandman, instead of having scattered strips in the open fields with meadow and pasture rights over the common waste, henceforward occupied six *several* or separate closes. Three of these were used for corn, so that he could keep up the old alternation of wheat, barley and fallow. One he used as pasture for his cows; another as pasture for sheep or other stock, and another as meadow. Then in winter, when he expected most difficulty in finding provender, five out of the six closes were available for his cattle—the remaining one would be sown with wheat. Land which was enclosed with hedgerows gave far better shelter for the cattle, and could be worked more carefully than when all the stock of the village were allowed to wander over the waste and eat it bare at once. It was a more prudent way of using the common waste. It was also favourable to tillage, as the cow pasture, when broken up after some years, was greatly improved from the way in which cattle had been constantly kept upon it. Not only had the land rest, but it was also well manured.

When enclosure was carried out in the interests of tillage and grazing alike, it was a general benefit. More corn and food of every sort were produced for consumers. The

farmer had his land more conveniently placed for his operations, and even if, with the diminished area under tillage, there was less need for ploughing, there was an increased demand for labour in connexion with hedging and ditching. It was an enormous saving in every way, though, possibly, it gave slightly diminished opportunities of employment. In many cases, however, enclosing was carried out in the interest of grazing only. The open fields and common waste were alike broken up into closes for sheep and cattle, with the result that there was little need for any labour but that of a shepherd and his dog, while the country districts were depopulated. It is not always easy to distinguish, at this distance of time, cases of enclosure for the formation of parks and sheep-farms, and cases of enclosure for the introduction of convertible husbandry. Both were called by the same name, but one was accompanied by depopulation, and the other was not. Convertible husbandry did not involve any change in the size of holdings or in the number of tenancies. This the large sheep-farms did; and the pulling down of houses of husbandry was fixed upon as the special mark of the bad as contrasted with the allowable and useful type of enclosing.

Enclosure
and depopulation.

It is a little difficult to trace the course of the enclosures, good and bad, of the fifteenth and sixteenth centuries. If we take Warwickshire, we find that the greater part of the south-eastern half of the county was enclosed in 1459. John Ross alleged that depopulation had, in consequence, gone on very rapidly and on a large scale. About a hundred years later, in the time of Edward VI, we find fresh complaints of enclosure in the same district, as if it were quite a new thing. It is still more startling to discover that in the time of Elizabeth and for two hundred years later, this particular

England.

district was quite unenclosed, and remained in open fields. We are almost forced to suppose that the outcry against depopulation had proved successful once and again. Under the circumstances it is dangerous to specify any time when the change was going on with special rapidity. The fullest information we possess is for the thirty years preceding 1517. The greatest and most widespread dissatisfaction was shown in the time of Edward VI; and the last we hear of depopulation was under the stimulus of a high price of wool, in the last decade of the sixteenth century. Then it ended. The demand for corn had come to be such that it was not good management to prosecute grazing alone, to the exclusion of tillage; and enclosures, accompanied by depopulation, may be said to have ceased in England, in the reign of James I.

A similar movement, due to similar economic causes, Ireland and Scotland. has shown itself in later times, both in Ireland and Scotland. Soon after the Restoration, English capitalists found an excellent field for speculation in breeding and fattening cattle in Ireland. They were glad to form large ranches, which were cleared of the cottiers and left to the cattle. The profit from these herds was very considerable, and it was convenient to absorb the little cottier holdings which could be advantageously utilised as portions of these pasture farms. Though it was a very successful market speculation, the Irish disliked it, because it depopulated the country. As has been already indicated, the economic jealousy of English landowners combined with the political jealousy of English Whigs to check the movement (§ 93).

In more recent days, sheep-farms and deer forests have proved a remunerative speculation for proprietors in the Highlands, and crofters and small tradesmen have frequently been forced to make way for the one or the other. Capitalist farming, in all these cases, has taken the form of utilising

the uncultivated land for feeding animals of some kind, and has pressed severely on the subsistence farming of badly equipped and impoverished peasants. There is much greater difficulty in organising capitalist arable farming; and this was in England, at least, a later growth.

116. One way in which capitalist pasture-farming tends to depress peasant subsistence farming is by the demand for increased rent. Under the conditions described, land used for pasturage has a high money value and yields a considerable rent. The landlord will naturally ask as large a payment for the use of land for arable purposes as he can obtain for its use as pasturage. The beginning of capitalist sheep-farming marks the beginning of competition rents. Medieval rents were practically fixed, and included the share of taxation which the peasant paid. They corresponded, too, with the value of the labour services of which the lord was deprived when the peasant became free to spend all his time on his own land. This would still be a natural basis for calculation, when yeomen with leasehold tenure were introduced by those landlords who ceased to work their domains with the help of a bailiff. But with capitalist farming a new element plainly enters into consideration. Rent comes to have the clear and obvious character of a payment for the use of the soil; its amount will be connected with the suitability of the soil for some special purpose. The landlord expects to receive a sum that represents the value of the land when employed in the most remunerative way, and those who like to use it for some less remunerative purpose may be called upon, so far as purely economic considerations go, to pay such a sum that the loss for their want of enterprise or skill shall not fall on the landlord. There was a great outcry in Tudor times against landlords who were guided by purely eco-

Capitalist
pasture-farm-
ing and rents.

conomic considerations in this matter, and political reasons were adduced for interfering to preserve for the peasant class the right to use land for a purpose which was not so remunerative as pasture-farming.

117. It is very difficult to estimate the precise progress of agriculture during the seventeenth century. There are some pieces of evidence which would seem to show that it was advancing here and there, though not very generally.

For one thing, there was considerable interest in the subject, as is evidenced by the number of technical treatises which were issued. Fitzherbert and Tusser are practically alone in the sixteenth century, and their work is comparatively slight; but the treatises of Markham, Weston, Plat, Taylor, and other seventeenth century writers are

conceived on a much larger scale. They were not content to record English experience, they also gave accounts of the crops and methods of cultivation employed in Flanders and Brabant, and indicated some points in which Englishmen might, with advantage, imitate their rivals. They discussed many details connected with the management of land, and gave much good practical advice. It was, probably, not entirely without effect, but at the same time it must be admitted that the descriptions, which we read of English farming in the eighteenth century, render it perfectly clear that the new expedients were not adopted at all generally when they were first set forth. Still these treatises serve to show that a certain number of men were studying the subject seriously; and the advances, which were made at a later time, were undoubtedly initiated by men of this type.

Another and a better indication of the prosperity of the landed interest may be drawn from the fact that efforts

were made at this time to extend the area of available land. Here again, experience acquired in the Low Countries was brought to bear for the improvement of England. There were two great districts which were constantly flooded by the rivers which pass through them. The Cambridgeshire fens were intersected by five rivers, and were liable to be flooded by surface water. A great scheme was proposed and gradually carried out for constructing a new channel into which these rivers might drain, and by which the water from the Midlands might be passed to the sea. It was worked out by a Dutchman named Cornelius Vermuïden, and proved more economical than any attempts to bank in each of the separate rivers for the whole distance of their course through the fens. Similar measures were taken at Hatfield Chase, near Doncaster. In this case the difficulties between the old inhabitants and those who obtained possession of the land which was recovered, led to open hostilities. The draining of low grounds involved the destruction of the fish, wild fowl, and other products of the marshes. The commoners, who had adapted themselves to life in these districts, had no desire that the land should be drained, as they did not wish to betake themselves to pasture-farming or tillage, and they showed their resentment by every means in their power. Similar difficulties were felt in the Cambridgeshire fens, but resistance to the change was neither so long continued nor so violent there, as in the more northerly district. When we pass through the rich area of fertile corn-land which has been gradually rescued from inundation, and see the harvests it now bears, or remember how long chronic ague lingered on the low lying lands, we cannot wish that this step of progress had been stayed, however much we may regret the suffering which fell on one particular generation.

Besides the gain which accrued through the protection of the fens from inland inundation, there was also success in rescuing some districts from the sea. The salt marshes of Essex and the low lands of Norfolk were banked against the tide, and a large area of excellent pasturage was provided. In all this there was conscious imitation of the expedients employed by the Dutch. Owing to the political struggles of the seventeenth century, men, first of one party and then of another, took refuge in Holland. They were struck by the prosperity of the country, and advocated the adoption, in England, of plans which had been crowned with success elsewhere. Charles II was particularly impressed by the canal system, and was personally interested in proposals for improving the internal water-ways of England. This was urged, in his time, as a means of increasing the food supply of London and other large towns. Little, however, was done to give effect to these suggestions till a century later, when fuel, and not food, was the requirement which they were chiefly intended to supply (§ 18).

There is some incidental evidence which points to a condition of considerable rural prosperity. The era of depopulation had come to an end, and the competition for arable farms seems to show that tillage was a fairly prosperous business. There was a decided rise of rents in the seventeenth century, not merely from pasture-farms, but on ordinary agricultural land. This indicates that agriculture was developing on the whole. There was certainly greater approximation to modern conditions; market considerations were coming prominently into view, as well as provision for subsistence, in the management of land. Though the Civil War must have caused much disturbance, by affecting the rates of wages and exposing husbandmen to many risks and ex-

Farming
fairly remun-
erative.

tions, and though the seasons at the close of the century were very unfavourable, farming seems to have been fairly remunerative, even though little general progress was made in the art of tillage.

118. (The eighteenth century, on the other hand, was a time of very rapid and much more general progress, which resulted in changes on every side of rural life.) The Stuart period was a time of promise so far as rural economy was concerned. The Hanoverian reigns, and especially the time of George III, were a period of performance. The Corn Bounty Act of William III (1689) rendered farming less uncertain as an investment for capital than it had previously been (p. 84). In years of great plenty the farmer still got a remunerative price; and landlords and men of enterprise alike found it a profitable business.

The
agricultural
revolution.

(Scientific agriculture was pushed on with great success. The study did not merely consist of observations of practice elsewhere; it was pursued by careful experimental methods.

Improvements
in farming and
breeding.

Arthur Young's *Tours* give us a most interesting picture of the transition which was taking place in rural life. On the one side he paints for us the wastefulness and ignorant methods of the yeoman farmers; the costliness and badness of their ploughing is a theme to which he frequently recurs. On the other hand we read of the spirited improver, who tried new crops, or new courses of rotation, and who kept accurate numerical returns of different experiments. The introduction of a suitable course of husbandry was the chief improvement he had at heart. Turnips had been cultivated for some time, though carelessly, but artificial grasses and clover were little grown when he first began to write. Such crops could be used to take the place of the ^{they}

fallowing, and, if properly managed, were a good preparation for wheat. In every way it was an enormous saving. In those counties where convertible husbandry had been already introduced, the rotation of crops could follow, as soon as any individual farmer recognised its advantages. Where the land still lay in open fields, and all the strips were cultivated according to a common custom, there were serious obstacles in making a change. Hence the enclosure of open fields was pushed on, during the eighteenth century, with a view to removing obstacles to the improved system of agriculture. There was a tendency also to replace the yeoman by more substantial and more enterprising men, and to throw two or three of the old forty acre farms into one larger one.

(The improvement in tillage was very noticeable, but it extended to the breeding of stock as well.) Mr Bakewell was successful in obtaining a type which was specially suitable for fattening, and 'the roast beef of old England' began to approximate to the excellence it has since attained. The sheep-shearings at Holkham in Norfolk and on the Duke of Bedford's property at Woburn were great opportunities for improvers to meet and interchange ideas. Nor was royal patronage wanting, for George III, under the pseudonym of Ralph Robinson, took an active part in forwarding the movement.

(The increase of the area under tillage at this time is perhaps most easily traceable in the progress of enclosure. This meant not only the better utilisation of existing fields, but also the employment of additional land for corn growing. The open fields, consisting of strips of land separated by balks, could be better employed when the land was re-allotted and held in ^{Progress of enclosure.} ^{wag}ral'y, while the common waste could also be broken up

and used for tillage, with good economic results, though with some social loss. It was not so much the change, as the manner in which it was sometimes effected, that made it a matter of regret. In any circumstances there must have been grave difficulty in carrying it out satisfactorily. To allot to each of the small tenants in the village a plot of ground, approximately equivalent in quality and convenience to his bundle of scattered strips and including compensation for the loss of meadow and grazing rights, was no easy task. When it was done by commissioners from a distance, it was apt to be very expensive. The cost of procuring a private Act of Parliament and the law charges were extravagant ; while the expense of fencing the several holdings was a heavy item. The whole affair was frightfully costly, and brought a burden upon the poorer commoners which they were not all able to bear. A more serious ground for complaint arose from the fact that the proceedings were not only expensive but unfair. Enclosure acts were obtained at the instance of one or two wealthy or pushing men. No enquiry was made on the spot as to the general feeling of those who had common rights, and many of them were unaware that any action had been taken until the time arrived for carrying the new measure into effect. Protest was then useless, and no real opportunity of expressing an opinion, or of seeing that their rights were properly secured, was given to the majority of those interested. These high-handed proceedings were injurious to some of the yeoman farmers : much more Effect on
labourers. serious evil was done to the labourers. They had often been allowed, and in some cases had a right, to graze a cow on the common waste. When enclosure took place, their title to have any allotment was often disallowed ; or, if any land was assigned them, it was so small an amount that they

could not utilise it. Arthur Young instituted some careful enquiries into the matter. He was a decided advocate of enclosure on economic grounds, though he deprecated the extravagant fashion in which it was sometimes carried out. He came to the conclusion that, when favourable consideration was shown to the labourers, they were all the better for the change; but that in a very large number of instances enclosure had been carried out in such a fashion as to do them irreparable mischief. This was one of the many tendencies which, towards the end of the last and the beginning of this century, combined to depress the condition of the agricultural labourer. The system of allowances in aid of wages sapped his independence (p. 94); the introduction of the spinning-jenny diminished the family earnings (p. 222), and the progress of enclosure prevented him from having a cow's grass. He was thus cut off from all the opportunities hitherto available of increasing his means of subsistence, and came to be wholly dependent on what he could earn as wages, at a time when wages ranged specially low (p. 91), and when, owing to the dearness of food (p. 85), his money went but a very little way. Attention was called to the condition of the labourer by the Swing riots in 1812, which were the direct outcome of this miserable state of affairs.

The absolute dependence of the agricultural labourer upon wages and the importance of maintaining as high a rate as possible were facts so strongly impressed on the minds of some economists of the day that they opposed measures advocated by practical men which would, in all probability, have proved beneficial. Arthur Young urged the desirability of providing labourers with allotments, especially in counties where it was possible to provide a cow's grass for each cottager.

Allotments
and wages.

An allotment that would serve to support stock of any sort would be a great aid to the household without distracting the man from giving his full time to work for a master. Arthur Young suggested that such allotments should be granted on the distinct understanding that they would be forfeited by anyone who applied for parochial relief. In this way he thought they might be utilised so as to check the decline of independence. But his practical common sense was opposed by the leading economists; they argued that allotments would either tend to the decrease of wages, or that the additional comfort supplied by them would only result in an increase of population, and thus this beneficial project was delayed for many years.

In connexion with this subject it is worth while to point out that the disappearance of the small or yeoman farmers } a gradual process to which allusion will be made below, and which had advanced a long way by the end of the Napoleonic wars } reacted very unfavourably on the labourer. While there were small farms to be had, it was possible for the labourer, if he had real energy and skill, to rise in the world and to take a farm on his own account. But when small holdings were combined to form larger ones, which could only be profitably worked by men with a considerable amount of capital the labourer was condemned to forfeit his best hope of rising in the world without deserting his old home. He was deprived, as we may say, of a legitimate object of ambition.

The *chacurre* of agriculture during this period underwent a very remarkable change. Until the latter part of the last century England was ^{Demand for corn.} able to produce with ease a sufficient amount of corn for home consumption, while under the influence of the Corn Bounty Act there was usually a surplus available for

export to foreign markets. Even though manufacturing had advanced considerably and little wool was exported in a raw state in the eighteenth century, England still exported a large amount of raw products, both coal and corn. But during the years 1773-1793 a turning point was reached. England ceased to be a corn-exporting country (p. 85); her population was increasing, despite all the demands made upon it by wars abroad, and the check imposed by the war on cottages at home. With increased demand for food there was a higher price, which was sometimes very high. As an immediate result of this change, the system devised for keeping the price of corn steady ceased to act. The Corn Law was altered in 1773 in the hope that the price would fall. The result, however, was that the price of corn was no longer determined by the sum which could be got for it at the ports, but depended far more on the actual demands of English consumers. Hence fluctuations increased considerably in the last quarter of the eighteenth century, and were rendered more striking by the curious variation of the seasons. From the beginning of that century till about the Declaration of Independence (1776), prices had been remunerative and stable, but from that time until the close of the Napoleonic wars they were very variable. Sometimes they were extraordinarily high and sometimes so low that the yield from the worst land in cultivation did not repay the expense of raising it. We can thus distinguish a time when agriculture was a steadily profitable pursuit, and one when it was a highly speculative business. Some fate of the old-fashioned yeoman farmer was somewhat different during these two periods, as he was subject to entirely diverse economic influences.

119. These economic influences have hardly received sufficient consideration, as it has been the fashion to lay

a great deal of stress on some supposed political causes for the disappearance of the yeomanry. It is said that the landowners were anxious to obtain political power, and bought out the small freeholders. This is hardly likely. The landowner could not obtain power in this way, as tenant farmers had no votes till 1832; he only extinguished voting power by buying out a freeholder, he did not bring it within the sphere of his own influence. The effects of this supposed cause were probably quite unimportant, but on the other hand economic conditions were the chief factors in the change. They have not yet been examined in such detail that it is possible to speak with much decision; and the following explanation must be regarded as somewhat tentative.

The decay
of the yeo-
manry.

During the period of steady improvement it may be said that the yeoman farmer was often an obstacle to changes, and that the best landlords were anxious to get him out of the way. It was the small farmer who worked his land badly; whose strips in the common fields were covered with weeds, and thus served to undo the care exercised by neighbours in clearing away the growth: he was the man who was impenetrable to new ideas and kept up the expensive methods of ploughing with large teams and heavy ploughs. No wonder that the owner of a well-managed estate was anxious to get rid of such tenants, or that a wealthy improving landlord was glad to buy out such neighbours if he could. And the opportunity occurred not infrequently. Their ways of working the land served for subsistence farming, but they were not in a position to compete with the capitalist farmer in the markets. He could hold over and sell his corn at high prices in the spring or summer, while the small farmer was forced, for want of money, to realise his crop immediately

Inability to
compete.

after harvest, when prices were very low. As he failed to take up the rotation of crops, and to cultivate roots or grasses successfully, he was at a still greater disadvantage in fattening his stock, and when any emergency occurred he was forced to give up the struggle and to make way for a more enterprising man. The agricultural struggles of the sixteenth century had been fought out over the extension of grazing, those of the eighteenth century concerned the progress of tillage. The sixteenth century had made little, if any, alteration in the size and character of the holdings which remained, but the eighteenth century saw a decided change in the way of uniting holdings wherever it could be managed. In the counties which had already been enclosed, we can hardly trace its course, but where there was much open field at the beginning of the eighteenth century, the progress of enclosure was doubtless accompanied by the gradual elimination of the less competent and energetic of the small farmers—whether tenants or owners.

The time of rapid fluctuation told against them even more seriously; the period of bad seasons at the close of the century must have been fatal to very many. Thus, in one Cambridgeshire parish, it is said that all the small farms were united in the hands of one man, who lent money to his neighbours and foreclosed when the continued bad harvests had ruined them. But those who were able to pull through this bad time enjoyed exceptional prosperity during the Napoleonic wars. The price of wheat was very high, and even though the burdens on the land—poor-rates, tithe and other taxation—were heavy, some agriculturists had a most prosperous time. The peasant farmers had their share of the large money returns, or, if they preferred to betake themselves to some other line of life, they were able to

Rapid
changes of
fortune.

obtain very high prices for their small farms. It is said that many of them took this latter course, and so escaped the reverses which came on the agricultural interest at the close of the war. It was partly because some were bad at their business, partly because some were ruined in bad times, and also because others were able to take advantage of good times, that the class of small farmers disappeared, and gave place to the modern conditions with which we are familiar.

In not a few cases their difficulties were aggravated by the withdrawal of manufactures from rural places. There was less employment for their households, and perhaps for themselves, when spinning and weaving were concentrated in factory districts. There was less local demand for such products as eggs and milk when the weavers and their families deserted the villages. All these tendencies were concomitants in an agricultural revolution, the full importance of which has hardly been yet realised.

For whatever may have been the steps in the transition, it seems certain that, with the disappearance of the small farmer, we have the disappearance, for the present at least, of subsistence farming in England. During the nineteenth century—and generally speaking during a great part of the eighteenth—farming has been a trade, and the success of the farmer depends on the money returns to his business. In the war period when prices were high, it was worth while to extend the area of tillage as much as possible, and to plough up land that was badly suited for corn. When prices fell, this land, which was on the margin of cultivation, was no longer used for tillage. Ricardo was thus able to formulate his celebrated explanation of the changes in rents for corn land. Land which was on the margin and just repaid the expense of

Ricardo's
theory of rent.

cultivation would afford no rent for corn; but any land, better suited for growing corn, could do so; and the amount it afforded to the landlord would be the equivalent of the advantages it possessed over such land as was on the margin. Ricardo's explanation of the differences and variations in corn rent was instructive at the time, for it summed up and formulated a condition of affairs which, though familiar to us, was then somewhat of a novelty. The expansion and contraction of agriculture had come to depend on market prices, and the rise and fall of corn rents did not cause high prices, nor even follow them directly; but rents were affected by prices through the effect of the latter on the increase or decrease of tillage.

120. Even before the close of the war, it was obvious that if peace were restored, and English ports were open to foreign corn, there must be a sudden drop in prices, and consequently a great diminution of the area under cultivation, with a subsequent fall in rents. It seemed as if ruin stared the whole agricultural interest in the face, and the Corn Law of 1815 was a deliberate effort to stave off imminent disaster by trying to keep the price of corn up to 80s. the quarter. The law of William III had been entirely different; it had aimed at making the price stable, whereas this measure was designed to keep it high. The underlying political principle of rendering the country self-sufficing has been already discussed (§ 54), but the economic motive was certainly that of preserving the agricultural interest from ruin. The condemnation of the law lay in this, that it failed to accomplish its purpose. In spite of the special protection which it received, agriculture went from bad to worse. One committee after another examined into the condition of the country, and from 1815 to 1825 there were reiterated reports of the

Permanent
improvements.

miserable plight into which the farmers had fallen. The Corn Law inflicted a great deal of suffering on the manufacturing interests, but it did not serve to avert very serious misfortune in the rural districts.

In so far as English agriculture was able to hold its own and rally, or to maintain itself when the full force of foreign competition was felt after 1846, it was because necessity was the mother of invention. Every effort was made to secure greater efficiency—especially greater economy through the application of capital to land in permanent improvements. The experience of Mr Smith of Deanston had demonstrated the advantages of thorough draining. Land which was properly drained could be much more easily and more thoroughly worked, so that when this improvement was effected, better crops could be regularly produced. Large areas of bog and marshy ground have been reclaimed through this process, and made available for tillage, while other districts have been rendered far more productive. By the use of new manures and by high farming the general agriculture of the country has been raised to a degree of efficiency that has far outstripped the hopes of eighteenth century improvers. And this result has been chiefly attained by sinking capital in permanent improvements. Landlords and farmers have combined to use their capital to produce this result, and to raise English agriculture to the high degree of excellence and prosperity which it had attained in 1874.

121. The efforts of the agriculturist have been enterprising, but the greatly increased facilities for communication with fertile regions in distant continents have seemed, during the last twenty years, to make it hopeless. Whatever fortune is in store for English agriculture in the future this may be insisted on; we cannot

Drainage
and high
farming.

Past and
future.

hope to succeed by reverting to any method or system that has been already condemned. Extensive culture and the three field system could not compete successfully where the accumulated skill and enterprise of recent years have failed.

One hope may lie in saving some of the expense of superintendence. It is argued that on smaller farms the best methods of culture can be organised and carried on with less expense, and that a saving can be effected in this fashion. But to break up the land into smaller holdings is not necessarily to revert to an old condition. The small farms of earlier days were badly managed, and if small holdings are to succeed it will be because they can be better managed than the large ones; and because all the new methods, which have been introduced by wealthy farmers, can be adopted by men with less capital. While the landlord can sink a good deal of capital, the peasant farmer may supply more efficient labour than he would give under supervision, and it is conceivable that there might thus be some saving in the payment for superintendence. Those who pin their faith to smaller holdings must mean that such farmers can take full advantage of modern improvements; we cannot go back to the small holding of the subsistence farmer or of the man who was half weaver and half grazier.

Still it may be doubted whether subsistence farming could not be utilised as an adjunct to our modern system. There may be produce which it is hardly worth while to take to market, and which yet supplies excellent food. It is conceivable that the labourer might grow for his own use, in a garden or small allotment, produce for which he could hardly find a market, but which he would go without if he did not grow it himself. Poultry and pigs are possible adjuncts to a cottage with a garden; although they might not be remunerative as

Gardens and
allotments.

market speculations, they might be well worth having as aids to the subsistence of a family. A cottager can rarely compete with the capitalist or the foreign producer in the market, but if he has the means and ability to procure some important elements of subsistence, he may live in fair comfort even if he is not in constant receipt of wages. If the necessary work in his garden is compatible with his farm work, even at times of pressure, so that the two employments can be carried on alternately and justice be done to both, the cottager may possibly live in greater comfort, even if the farmer's payments for labour should be reduced.

Whether it is possible to turn attention to products which are not grown at present, and which would pay better than those already cultivated is a difficult speculation. Our temperate climate renders it possible for us to grow many things; but each of these various products will perhaps grow more readily in some other land, which is within easy reach by sea. The command of the sea has brought us into connexion with distant lands and climates unlike our own, and the very success of our commerce seems, year by year, to narrow the range of profitable occupations for the landed interest.

CHAPTER IX.

LABOUR AND CAPITAL.

122. ADAM Smith, in the opening chapter of the *Wealth of Nations*, has drawn a contrast between the material well-being of a savage and of a civilised people. He ascribes the difference between the two, in their power of obtaining the necessities and conveniences of life, to one main principle—the division of labour. It allows of a saving of time and a saving of skill in many directions, and by its means far more work can be accomplished with infinitely less drudgery. The effectiveness of the division of labour has been familiarised by the one classical illustration of the making of pins: but its general effects on society are worth a little consideration, especially when we remember that it is comparatively modern. Combination of employments has existed time out of mind, but the systematic division of labour was not very common before the eighteenth century.

In the first place it may be noticed that the principle cannot be applied equally well in all callings—for example, agriculture is not a favourable field for it. The processes of agriculture are dependent on the seasons of the year, and nothing that we can do will serve to hurry them on. Division of labour in industry enables men to

do more in less time, but agriculture is dependent upon natural operations, and no exertion will make the harvest come prematurely. As a consequence, the agricultural labourer has to devote himself to different occupations during each season of the year. The old fashioned illustrations of the appropriate labours for each month—like the bronzes on the doors of S. Zeno at Verona—show that this has been the case from time immemorial. There has been great progress in agriculture since primitive times, but it is not nearly so striking as the revolution in our industrial powers: where division of labour is least possible, the change is least complete. From this it follows that the agricultural labourer has a greater variety of occupation than almost any other workman in our present society. If his life is monotonous and dull, this is not due to the deadening effects of mechanical work which are sometimes ascribed to the division of labour.

Division of employments, combined with the practical convenience of training a son to the occupation of his father, has served as the economic basis of the caste system; and the pursuit of hereditary callings seems to have led to the accumulation of inherited skill, so that each new generation has a special aptitude for the work it has to accomplish. In England there has never been such a hard and fast separation as in the East, but the social effects of the division of labour are very noticeable even here. For some kinds of work it is necessary that a man should have a long and careful training—as, for example, a surgeon; while the employment of a bricklayer can be picked up easily. It is socially advantageous that each should keep to his line: the surgeon would spoil his hands as a bricklayer, while the bricklayer could hardly be trusted with a delicate operation. It is not

Basis of
class distinctions.

advantageous that there should be frequent change on the part of adults from one occupation to another; and if there is division of employments at all, some persons will have higher or better work than falls to the lot of others. Apart from all questions of social importance or remuneration, it is best for anyone to take up such work as affords the widest scope for progress and improvement. The doctor or lawyer is likely to go on learning his business better all his life, while the artisan is at his best from twenty-five to thirty-five. And there is a very great difference in the whole status of those whose powers are constantly improving, and of men who have nothing more to learn in their work. This marks a real difference of social grade.

In all ranks of life the principle is generally adopted that the most highly skilled and responsible work should be the most highly paid. This is so obvious and natural that it seems unnecessary to dwell on it. There is, however, some slight indication of a feeling which views the matter from a personal rather than from a social stand-point. It is said that the professional man has pleasanter work to do, and that, therefore, he may be expected to work for less pay than the man who does more disagreeable work. This is a fair principle of adjustment within any social grade, and does take effect in the minor differences of remuneration within the same social class. But so far as society is concerned it is right that the man who, having the opportunity, does what is best worth doing, should get the greatest reward; and from this it follows that he has a better chance, if he desires it, of starting his children in a line of life similar to that which he has adopted, since he can pay for their longer training. However much we endeavour to break down any disabilities that may have hitherto prevented the boy of exceptional ability from

rising in the world, there seems to be little prospect of a time when all shall start with equal opportunities. No very satisfactory system of selection in tender years has been devised, and so long as family ties are recognised at all, the son of the successful man will have better opportunities in beginning life than other people, since he has time to be trained for difficult, responsible, and well-paid work.

The disabilities to which the medieval serf was exposed have been done away, and obstacles to passing from one social grade to another are far slighter than was formerly the case. The accident of favour from a patron had much to do in the past with the promotion of individuals, even in the most democratic of professions—the Church. There has been a conscious effort in our days to create a system which shall offer an opportunity to the most energetic to rise out of their class into a higher grade, by their merits and apart from favour. But the principle of division of employments and division of labour has come into increasing operation since medieval times; and its tendency is to accentuate and perpetuate the severance of classes, by introducing real differences of thought and habit. Class distinctions, if less apparent than they were when marked by special kinds of attire, are no less real. In some respects they are deeper than they used to be when a seven years' apprenticeship was the similar mode of admission into a great variety of different callings.

123. While laying stress on the economic importance of the division of employments and of labour, Adam Smith does not fail to allude to its necessary conditions. "As the accumulation of stock," he says, "must, in the nature of things be previous to the division of labour, so labour can be more and more subdivided in proportion only as stock

Capital in
the cloth
trade and its
services to
labour.

"is previously more and more accumulated" (*Wealth of Nations*, Book II, introduction). He thus fully recognises that division of labour cannot be introduced spontaneously. It is only under certain conditions that it is possible; only under favourable conditions that it can be carried a step farther. How far labour can be profitably divided, depends on the extent of the market, or, to put it otherwise, on the scale on which business can be organised. It cannot be organised on a large scale without capital. This is an essential condition for the minute division of labour in modern times; it is only through the existence of capital that labour obtains its greatest degree of skill and efficiency. Not only is this so, but in the progress of the industrial arts capital has come to take an ever increasing part in the work of production, and to interfere more and more with the unaided efforts of labour. To some extent it has facilitated them, and to some extent it has superseded them; in fact these two things must go together—to render labour more easy is to leave less scope for the exertion of labourers in any given piece of work.

If we go back to the time of the Norman Conquest we find a marked contrast with our own day. Industry was then practically altogether independent of capital. The labourer possessed a few tools, as he does now, but this was his only stock in trade, and wealthy men did not use their money in industrial labour so as to procure a revenue. Industrial capital, in the modern sense, was unknown—even after economic freedom had made some advance. We may picture the medieval artisan to ourselves—in so far as a money economy had come in—as a man who had to spend much time in trying to dispose of his wares. Hereward visited William's camp as a potter, and many craftsmen must have been, to some extent,

pedlars or have visited fairs, in order that they might dispose of their goods. In other cases we may think of them as men who had to wander about in search of custom, as travelling tailors did in the early part of the present century. Under these circumstances there was no capitalist tailor, for the customer supplied the materials, and furnished food while the work was being done. There was no middleman and no employer, in the modern sense, for the artisan was in direct communication with the consumer. But whatever may have been the advantages of this system it certainly had its disadvantages—the craftsman who wanted to sell the product of his labour passed much of his time in seeking for custom. He could not devote all his strength to the execution of his work. This must have involved much anxiety and waste of time to individuals, and would be a considerable loss to society when there were still few suitable markets for labour and its products. Whatever the disadvantages of present conditions may be, it is at least an advantage that the craftsman can spend his time on the work at which he is really good, while he is not so constantly and habitually diverting his energies to the search for employment. Through the intervention of a middleman between the consumer and the producer, the craftsman is able to concentrate his energies on that for which he is really skilled.

The increasing intervention of capitalists in the staple industry of England—the manufacture of cloth—has been traced with great clearness by Professor Ashley. He shows that, in all probability, the different branches of labour requisite for turning out a properly finished piece of cloth were carried on as separate industries by independent workmen—with apprentices and journeymen in their houses—till the middle

Capitalism
in supplying
employment.

of the fourteenth century. The weaver bought wool or yarn, and made the cloth. He sold it to the fuller who worked it into a close fabric; it was then sold to the shearmen, who smoothed the nap with his heavy shears and turned it out ready for the purchaser. The relations of these trades to one another are not quite clear, and it is probable that they varied, at different times, even in the same place. It is quite likely that the weaver sometimes employed shearmen and fullers for the work they did on the cloth he had made and which he proceeded to sell. But in the middle of the fourteenth century, we find traces of a class called *drapers*, who seem to have been merchants. They bought cloth from the weavers or fullers, and then supplied it to customers in distant markets. Their intervention was only natural when the English began to do a considerable export trade in cloth. The weavers and fullers had no direct access to foreign markets, nor even to those distant English towns to which the draper might send their wares.

This system, or something very closely resembling it, appears to have continued in Yorkshire till the present century. The weavers worked on their own account in the country round about the towns, and brought in the cloths to sell to merchants at the Hall in Halifax or the Bridge at Leeds. But in the Eastern Counties and other parts of England the trade had been organised in a different fashion as early as Tudor times. The clothier, in ordinary parlance¹, was an employer who arranged the whole trade in its various branches. He delivered wool to the weavers, and employed carders, spinners, dyers, fullers and other workmen. These master clothiers organised the whole

¹ According to Yorkshire usage the term clothier was used for a domestic weaver, who sold his goods to a merchant.

manufacture as a modern employer does. Some of them, like Stump of Malmesbury and John Winchcombe of Newbury, were the owners of establishments which closely resembled factories. They came more and more into prominence during the early part of the sixteenth century, and though an attempt was made to put them down in rural districts under Philip and Mary, there were numerous exemptions, and the measure was repealed under James I. From that time it appears that the clothing trade, throughout the greater part of England, was organised on capitalist lines, as the clothier furnished the materials, arranged for the various processes, and sold the finished product. The weaver had neither to busy himself about securing and preparing materials, nor about finding customers for his goods when they were woven; he might actually do his work at home, but, so far as economic relations were concerned, he was working for an employer.

From Yorkist and Tudor times there is evidence of difficulties between the weavers and the master clothiers. On the one hand there was often doubt as to the honesty of the weavers who were accused of embezzling materials, and on the other, there is a long series of acts against 'truck,' as the clothiers were apt to pay in goods and not in money. Still, though the domestic system held its ground in Yorkshire till the present century, we can see that it had grave disadvantages, and that the Yorkshiremen must have spent a good deal of their time—one day or more a week—in getting materials and frequenting the Cloth Hall, while all this was more likely to be saved by workmen elsewhere, who got employment from a master clothier.

124. The next form in which we find the intervention of capital is in supplying implements for doing the work.

The master-clothiers appear to have undertaken this function in Tudor times, for they owned looms at which their employes worked, they possessed fulling mills, and they used gig mills; the latter were condemned under Edward VI as injurious, since they did the work badly. But the whole step becomes clearer in another trade which was, from the first, a machine industry. Knitting and lace work were carried on by means of frames invented by Mr Lee, in the time of Elizabeth. Like many inventors he derived little benefit from his ingenuity, but within half a century of his death the trade began to flourish greatly, both in London and Nottingham. The attempts of the Framework Knitters Company to regulate the industry in the interest of the journeymen were not very successful; early in the eighteenth century many abuses began to show themselves, and the workers were in a most distressed condition. One of the chief complaints arose from the large number of apprentices, so that trained workmen were deprived of opportunities of employment; they felt it a bitter grievance that, even while little work was given out to them, they should be charged regularly for frame rents. The frame was an implement worked by hand, and there were few attempts to introduce power, or to modify the organisation of the trade till after 1840. But at all periods of bad trade complaints of the same sort were heard. Dissatisfaction broke out in a violent form in 1816, at the time of the Luddite riots, when numbers of frames were broken; the disturbances were skilfully organised and seem to have been carefully directed against those frame owners who were specially unpopular.

125. In this particular instance of framework knitting, the implement, which the capitalists hired out to their

workers, did not supersede labour at all. It was an invention which called a new industry into being, and this may be noted as an early instance of a trade that was completely organised on capitalist lines. The employer not only found a market for the goods, and supplied materials, but he furnished the necessary implements as well. Capital had intervened on every side of the labourer's life and furnished the means by which the workman could devote himself exclusively to his proper calling. The division of labour was carried very far under the master clothiers¹. The steady progress, in favour of this type of organisation, may be said to prove that it has had distinct advantages, that the public are better served by its means than they could ever be by the labour of isolated workmen, each conducting his business, in all its sides, on his own account. But if great advantages have accrued through the intervention of capital, there are also risks of serious danger. New facilities are given for the doing of work, but the workman becomes dependent on his employer, for materials, for the opportunity of employment, and for implements of labour. The period of the industrial revolution showed, on the one hand, the ability of capitalists to take advantage of new powers and new methods, but it also brought into clear light the reality of the dangers which are likely to arise under a system of capitalist production, unless care is taken to guard against them.

The dependence of labour on capital.

There is a certain parallel between the changes which have been described in connexion with agriculture, and those which occurred through the capitalist organisation of industry. Medieval tillage was subsistence farming; the modern agriculturist is a trader who looks to the market for his returns. In

Comparison between agriculture and industry.

¹ Reports, &c., 1840, XXIV. 388.

somewhat similar fashion, the isolated workman may be said to have laboured with a direct view to subsistence. This work had direct relation to some customer's wants, and the price he charged was directly calculated from the food, &c. required during the time of labour. Subsistence was recognised as a first charge, and prices followed it. But the drapers, master clothiers and other employers were forced to look directly to the markets. The time of money economy had come in (§ 109). Prices settled themselves according to demand and supply. The market might be over-stocked, or owing to some unforeseen accident, buyers might be few. In either case the clothiers had to take what they could get, and the payment which could be afforded to the workmen necessarily depended on prices, and varied with them.

The two things must always have been closely connected. Doubtless, in mediæval times, there were many men who were unable to find customers, and who had to submit to forced sales; but the principle on which business was done is quite clear. Every effort was made to prevent the sale of English goods abroad, unless the price obtained was really remunerative. Every effort was made to fix the price of goods so that the artisan might get a 'reasonable' reward for his trouble. Prices were, so far as possible, adapted to the labourer's requirements, though doubtless the policy was not always successfully applied to practice. But with the intervention of capital, the old relations have necessarily been reversed. The effort, now, is to force a market and to secure a sale by producing cheaply. There is a constant tendency to cut prices down, and the reward of the labourer necessarily follows the operations of the capitalist. In old days when wages were practically fixed, the require-

Reasonable
and compe-
tition prices.

ments of the labourer were a first charge, and this must have tended to steady prices; but now that prices fluctuate greatly, the condition of the labourer is directly affected by them. While we may fully recognise all the advantages that have come to the labourer through the introduction of a money economy, we should also take note of the disadvantages as well. The modern labourer who is economically free (§ 66) has many advantages over the medieval serf; he can go where he hopes to improve his position and make his own bargain in definite terms for definite pay (§ 109). His relations with his master are very precise—as between man and man; but his opportunities of employment and his daily bread are dependent on the changing conditions of trade in distant lands. He has gained in independence, and in the precision of the terms of employment, but he has lost the comparative stability of his former condition (§ 130).

These two views of the manner in which trade may be most wisely conducted correspond with the different conceptions of the meaning of prosperity in trade. We may have a period of slow and steady development; this means stability in the employment and remuneration of the labourer; and regular, though not large, returns to capital. It is good for both. If, on the other hand, we have, from any cause, a period of rapid fluctuations when prices vary a great deal, the labourer benefits very little, and many capitalists may suffer serious loss: but the far-seeing and successful man, who is able to take advantage of the change, may gain enormously. We may mean by good trade, a time when there is steady and slow development, or a time when the enterprising speculator can make his fortune rapidly. The latter is, at all events, a period of apparent prosperity. Sudden accumula-

Good and
bad trade.

tions of great wealth strike the public imagination, but they are not always symptoms of a really healthy condition of trade. The fortunes made by the East India Company's servants in India entirely misled the shareholders and the public at home, as to the real character of the trade of the Company. During the Napoleonic wars there were unexpected facilities and chances for the sale of English goods at monopoly prices all over the world, and this gave an unexampled opportunity for the making of fortunes. As we look back on that time we may see that it was really a period of unhealthy inflation, followed by a sudden reaction, that was very injurious to all persons engaged in trade.

126. Men are never tired of repeating the truism that the interests of capital and labour are really one. It is obvious that both gain through the prosperity of trade, and that both lose when it declines. If ruin overtakes the capitalist, the labourer is thrown out of employment; if the workmen are ill-fed and incompetent, the capitalist cannot prosper. In the long run, or over a period of years, the interests of the two parties are similar; but at no point of time are they identical. They are always distinct and, at any given moment, the difference may come prominently into view. The immediate interest of the one is not the immediate interest of the other; and there is always danger of conflict when one of the two is called upon to sacrifice his immediate interest in favour of the prospective interest of both. When the element of time is properly introduced, it is a mere paradox to assert that the interests of capital and labour are the same; they are constantly distinct and frequently opposed to each other.

The immediate interest of the labourer tempts him to do as little as he can for the money he receives. If wages

The conflict-
ing interests of
Capital and
Labour.

are good, he is able to enjoy the pleasures of pure idleness, and to obtain as much subsistence as he desires by working for half the week. Such a course of action may even appear to be unselfish and commendable; for if employment can be regarded as a constant quantity, and each man does very little, then there will be need for the services of a larger number, and work and pay will be distributed among a greater number of applicants. But irregular and inefficient work is very costly, and is almost certain to increase the expense of production; it is likely to lead to a contraction of trade and to a diminution in the amount of available employment. In a somewhat similar fashion, the immediate interest of labourers tempts them to demand a rise of wages in the expectation that prices can be raised without any diminution of demand, or of the field for employment. This may hold good when producers have a monopoly, either temporary or permanent, in an article of general demand; but under ordinary circumstances it cannot take place. A demand for higher wages will probably lead to a contraction of the demand and a diminution of employment, or to a reduction of wages. It is obvious that labourers may pursue their immediate interest so far as to damage a trade and to render a serious loss of wages and of employment inevitable.

Similarly the capitalist may pursue his immediate interest so as to damage trade. It is always his immediate interest to produce as inexpensively as possible, so as to command as large a market as may be. It is always possible to supply a low priced article, by producing an inferior quality, and it is sometimes possible to reduce the cost of production at the expense of the labourer—by sweating. Both expedients result in an immediate gain, and both are ultimately disastrous. When

Ruinous
competition.

masters produce an inferior quality, the reputation of the trade suffers; and sweating tells, sooner or later, on the efficiency of the class who have to submit to it. Either labourer or capitalist may positively injure an industry by the short-sighted pursuit of their immediate interest.

Since the immediate interests of capital and labour are distinct and often opposed, it need not be a matter of surprise that men of one class or the other should, in all good faith, make different forecasts as to the best course to be pursued for the good of industry. By the latter part of the last century labour had become, as we have seen, largely dependent on capital. Capitalists were, generally speaking, in a position to give effect to their views of what was best for trade. They might well believe that the course they pursued was not a selfish one, but was really for the ultimate well-being of labour. If trade was bad they were inclined to reduce the rates of wages, in the hope that by cheaper production they would be able to secure increased sales. The alternative course, that of reducing the quantities produced in the hope that prices would rise again, meant that machinery would stand idle, and also that workmen would be thrown out of employment. There were immediate and obvious disasters to all parties in the trade; the hardship to the labourers of working at starvation rates might well appear to be a lesser evil than that which must ensue from throwing numbers out of employment altogether. The evil results of the depressed condition of the labourer seemed remote and uncertain, while the bad effects of reducing production were manifest and near at hand. It thus came about that during the uncertainties of the Napoleonic wars and in the terrible depression which followed, workmen, in one trade after another, were forced to submit to very considerable reduc-

tions of wages. So long as it was possible to provide employment, though at starvation rates, the masters believed it to be best to spread work among as many as they could, so that every family should earn something however small. Hence from another side the mistaken philanthropy of the masters resulted in a policy which resembled the short-sighted schemes of the men. The workers have sometimes wished to distribute a (supposed) fixed quantity of work among as many men as possible, so that the aggregate earnings of all might increase; the masters tried to distribute a diminishing quantity of work among a large number, so that no one should be absolutely destitute.

The period of depression, with all the poverty that accompanied it, continued for many years (p. 88). We are apt to rush to the conclusion that this was due to the introduction of machinery, but the more the facts are looked at in detail the less satisfactory does this explanation appear. The celebrated strike of the Bradford wool-combers (1825) occurred in a trade where starvation rates were being paid, but where there was no real competition with machinery till a later time. The framework knitters in 1845 were not suffering from any new reduction, but from conditions of trade brought on by reckless competition, and the same may be said of the starvation rates paid to cotton weavers in 1806. They suffered because it appeared from time to time to be necessary to cut down wages, and there was little, if any, subsequent recovery.

This line of policy had the approval of the leading economists of the day. They were all extreme advocates of *laissez faire*; they saw that the intervention of capital had been very beneficial to the public at large. And, having a firm belief in the power of

Doctrinaire
economists.

the capitalist to judge of the prospects of trade, they thought it best that he should have a perfectly free hand.

At this juncture the working classes were in a position which rendered it very difficult for them to state their views as a class, or to offer any resistance to the demands made on them. The Combination Laws of 1799 and 1800 had been passed under the influence of political panic. They condemned as criminal the conduct of artisans who took action which might strengthen their position in bargaining with their employers. The labourers were forced to submit, but a sense of the disabilities to which they were exposed and of the gross injustice which might be done them under this one-sided law, made them very bitter, while the employers were not unnaturally suspicious of the influence of illegal associations. The measure was, in all probability, quite ineffective for checking real treason, but it bred an amount of class jealousy and mutual suspicion which has wrought infinite mischief.

Under the policy of the employers, approved by *doctrinaire* economists and unchecked by effective criticism from the labourers, results came to light which roused public indignation. It became obvious that the course they were pursuing, on *laissez faire* principles, was leading to the moral and physical degradation of the English population ; and it seemed necessary for Parliament to interfere and to put an effective check on some of the deleterious tendencies which were at work.

127. The great development of machinery in the textile trades gave opportunity for the employment of children on a large scale ; numbers of them were engaged in work in every factory. Their condition attracted public attention again and again, and it was, in many ways, very bad. At the same time it may

Moral and
physical
degradation.

be doubted how far it was really worse than that of other children, who were employed by the domestic weaver at home or as helpers in other trades. So far as it is possible to compare the two in 1816, the factory child was in better sanitary conditions and was better fed than the child employed at weavers' homes. The earnings were better; but the life was rougher, and the regular strain was greater. The worst cases of child suffering were not in factories of any kind, but in connexion with chimney sweeping. The employment was dangerous to life and limb, and rendered the young specially liable to very painful diseases. There must have been an immense amount of cruelty at times in forcing them to undertake such tasks. Still, without laying stress on such comparisons, it is clear that the condition of factory children at the beginning of the century was so bad, that it was wise for government to interfere, and, in the interest of the future well-being of the population, to check the tendencies at work under the influence of free competition. Even the most uncompromising advocates of *laissez faire* were willing to recognise that this was a legitimate case for intervention. The children did not and could not make their own bargains. They were not free agents in entering into any agreement; they were sent to the factories by their parents, or by parochial authorities. Hence those who argued that each adult ought to make his own bargain for himself, were ready to legislate for the protection of children.

The first great measure on behalf of factory children was brought in and carried by a mill owner; it was not the result of outside agitation. Sir **Factory apprentices.** Robert Peel, father of the great statesman, felt that the condition of the apprentice children in his own cotton mills was not what he could desire, and he found himself unable to exercise efficient supervision. He therefore introduced and

carried, apparently without difficulty, a bill for the regulation of the status of apprentices in the cotton trade (1802). The clothes they should receive, the meals they should have, and the conditions of their dormitories were specified; the bill limited the hours of work, and also insisted that adequate opportunities should be given for their instruction. The measure has reference to a state of society when apprenticeship was not only a time for learning a trade, but also for training in regular habits of life under a master's eye; and it was intended to secure that the colonies of children attached to cotton mills should not be deprived of similar advantages. This act had many beneficial results for a time, but there were rapid changes in the condition of the trade which rendered it inoperative before many years had passed. The system of legal apprenticeship was abolished in 1814, and as the children employed in factories were no longer apprentices, the measure designed for their protection ceased to be applicable. In 1816 Sir Robert Peel moved in the matter again; he succeeded in obtaining a mass of interesting evidence on the condition of factories, but no important legislation occurred till 1833.

In 1832 the case of the factory children was taken up by Lord Ashley (afterwards Lord Shaftesbury) and others, and a Select Committee took evidence as to their physical condition. The revelations made were shocking in the extreme, and aroused a storm of indignation among philanthropists and the public. There was equal indignation among the mill-owners, who had not had the opportunity of being heard, and who held that the case brought before the Committee was not merely one-sided, but grossly exaggerated. A Commission was therefore appointed to take evidence on the spot, and though it showed that the statements made before the

Official
enquiries.

Select Committee were not trustworthy, it established a very serious need for interference. The physical mischief, resulting from the long hours during which children and women worked, was very noticeable, and there was every reason to fear a serious deterioration in the physique of a large portion of the population, if protection were not extended to the young and to the mothers of the next generation. The special evils differed in different trades. In the woollen trade the processes of sorting and preparing the wool were specially dirty and offensive. In the linen trade the mischief was of a different kind, as flax was spun when wet, and those who worked in the mills were apt to get their clothing thoroughly soaked; even if properly protected, they still had to work in a reeking atmosphere and on sloppy floors. There was a great deal of dust in some of the rooms in cotton mills, though, perhaps, they were hardly so objectionable as those devoted to similar processes in the linen trade. But, though some mills were well managed and others badly, there were certain points in which all showed room for improvement. Children were employed much too young, and the strain for women of standing and stooping for long hours was very injurious.

So far as the early age of employment was concerned, the mill-owners were not specially to blame; it was no advantage to them to take children very young. The pressure came from parents and poor law authorities, who wished to make the children earn something and to get them off their hands at the earliest possible age. As to the length of hours, the owners also protested that they were not altogether free agents. Competition with foreign countries was very keen; spinning was barely remunerative, and if the hours of labour were shortened, and the output reduced,

they feared that it would be impossible for them to carry on business at all. The expectation of philanthropists that English spinners could raise prices, if they liked, was not justified, but on the other hand there has been such an increase of efficiency that the worst forebodings of the manufacturers have not been realised. The commissioners hoped it might be possible to organise double shifts, so that the machinery might continue to run for long hours, while the women and children were not overstrained. This system had been adopted in some mills, but there were grave difficulties in the way of carrying it into effect at all generally. The result of the investigation was the Factory Act of 1833, which only allowed the employment of children over nine years of age, and reduced their hours of work to forty-eight in the week. By far the most important work accomplished by this Act consisted of the new means of administration which it created. There had been difficulties in enforcing previous measures, and by calling into being a body of inspectors, who had authority to see that the act was carried out, an important step was taken towards putting down the worst abuses and for suggesting and securing gradual improvement.

Carelessness
about ma-
chinery.

These inspectors have, at least, been able to attend to one point on which the employers appear to have been careless—the proper fencing of machinery. The number of cripples who had been injured by accidents in mills was a matter which had specially roused public feeling; in this particular Bradford had an unenviable notoriety. Even though there seems to have been some exaggeration in the representations made on this point, there was a considerable foundation in fact. Wherever the blame may have rested, the effects of increased care in this respect have been very noticeable.

The outcry which had been raised about children in factories was followed by an investigation into the conditions of child labour elsewhere. It was, indeed, high time, for the state of things in mines was far more serious than anything that had come out about the factories generally. The new limitations on employment in factories led to some increase of the evils in mines; for parents who had the opportunity of sending children, excluded from factories, to work in mines, were glad to do so. The long hours in the darkness and the heavy work in pushing trucks were very injurious, while the manner in which women were employed was brutalising. The regulation and inspection of mines was a necessary development of the regulation of factories, and could be justified on exactly similar grounds. In all these cases, it seemed to be necessary for the State to interfere to check the moral, physical and social evils which had arisen under the régime of free competition.

128. So far we have considered the capitalist system, and the evils which arose in connexion with it, when competition was unchecked. It is pleasanter to turn to the wonderful series of inventions which were introduced with the aid of capital, and which so greatly increased human powers of catering for human needs. It may, perhaps, be most convenient to sketch the steps in the changes very rapidly, while the results of the introduction of machinery on the employment and remuneration of the labourer may be discussed when we are in a position to review the whole period of the industrial revolution.

The first remarkable invention which modified the condition of the textile trades was not so much a new machine as a better implement. The

Children in mines.

The course of the industrial revolution.

The flying shuttle.

flying shuttle did not do the work and was not, in any way, a substitute for skilled labour. It was distinctly subservient to the old forms of skill, and enabled the good workman to exercise his skill much more rapidly than before. It first came into use in weaving wide breadths of cloth. Hitherto the weavers had needed an assistant to throw the shuttle backwards and forwards across the loom, but with the help of the flying shuttle he could throw it backwards and forwards by himself. It enabled him to work faster, and just as well, while the work was done at less cost, since there was no need to pay for help. The effect upon the cloth trade was very curious. There was no increase in production, for there was no more wool available than before, and there was no fall in the price of goods. Nor was there any change in the rate at which the weaver was paid per piece. But the best men could work more rapidly than before; they had more to do and earned very high wages, while the inferior workers were hardly employed, and drifted into other occupations, especially into cotton weaving. The benefit from this improvement did not go to the public in the form of cheapness, but to the best workmen who were kept on in full employment. They, as a class, obtained a definite rise in the world, and in the subsequent hard times they seem to have looked back to the last decade of the eighteenth century as the halcyon period of their trade.

A whole series of important inventions revolutionised
 Cotton spinning; they were originally introduced
 into the cotton trade by Arkwright, Crompton, and Hargreaves. Spinning is an art which is specially adapted for machinery, as the chief matter of importance is to obtain a regular and even thread. It is an operation in which a mechanical kind of perfection is specially re-

quired. In 1790 Mr Kelly of Lánark was able to apply water as the motor power for this machinery, and in the latter part of the eighteenth century the business of cotton spinning increased with very great rapidity. It had been a comparatively small affair before, centred chiefly round Manchester. But with mechanical appliances, yarn was produced in vast quantities, and mills were erected in all sorts of places. Derbyshire, Nottingham, Worcestershire and other counties were, for a time at least, centres for this trade. The spinning business flourished exceedingly; and English manufacturers who were unable to meet the foreign demands for cotton cloth sent large quantities of English yarn to the Continent. So rapid was the development of the cotton industry that a new trade was practically created by the machinery, and the employment, which it afforded, attracted large populations to settle near the mills. So long as water power was used, the employé's were more or less scattered, as the mills were not grouped closely together, but at different points on the same stream (§ 19). But when steam power was applied to machinery, the mills were run up close together, and population was attracted to form factory towns.

The condition of the children in this newly developed industry has been already described (§ 127); it soon attracted the attention of the legislature; but adults also were exposed to much suffering. In the villages which grew up near water power there was often a difficulty about getting supplies; everything was dear; wages went but a little way, and the truck system was soon in full play. Discomforts in the towns were chiefly due to the jerry builder; cottages were run up, ill planned and ill built, with a disregard of the most elementary sanitary requirements. Not until the visitation of the cholera in 1849 was public attention

fully aroused to the dangerous neglect which had hitherto attended the housing of factory operatives.

The introduction of machinery for cotton spinning brought about a new and sudden development. But there is more interest in tracing the steps by which machinery was introduced into the clothing trade, which had hitherto been the staple industry of the country, and which, in some form or other, continued to be widely diffused throughout a very large area.

The machinery for carding wool, which was invented as early as 1748, appears to have been received with general approbation. The spinners were, apparently, glad to be saved the preliminary processes in the preparation of wool, and to rely on the slubbing engine. When attempts were made to adapt the spinning jenny from cotton to wool, there seems to have been wonderfully little interest in the matter. The invention spread but slowly; it was in use in Devonshire in 1791, but seems to have been regarded as quite a new thing in the West Riding, when Mr Gott introduced it some ten years later. Nor does it seem to have created much excitement in the villages. Spinning was very badly paid in the last decade of the eighteenth century, and very difficult to get even at the miserable rates of pay. When allowances were granted in addition to the labourer's wages, the family income was made up from another source, and the household did not feel the loss due to the cessation of spinning. Hence it seems that the allowance system (p. 94) tided over the change, which was made almost insensibly. It is only in 1816, when the transference of the industry was practically complete, that we hear of some destruction of machines for spinning wool; but this seems to have been a quite incidental act of violence in connexion with the bread riots in the Eastern Counties.

It is hardly possible to exaggerate the importance of the change which had thus come into effect. During the eighteenth century, at least, the art of spinning wool had been practised in many cottages throughout many districts of rural England. Spinning had afforded a very remunerative by-employment, and the earnings of the women and children had provided a most useful supplement to the wages of the labourer. When spinning was concentrated in factories and carried on as an independent employment, it was entirely diverted from the rural districts, and there has been no means of supplying its place in the domestic economy of the cottage home. Thus the decay of domestic spinning has had very grave effects on the comfort and prosperity of the rural population.

The inventions of Boulton and Watt and the application of steam power to textile machinery was another step in advance. The steam engine was first used in a cotton factory in 1785, and for thirty or forty years the contest between water and steam was carried on. Water was undoubtedly cheaper where a good supply could be had; but in many places the mills were liable to long stoppages for want of power. Steam power, though more expensive, was always available, and could be increased at will; and this superior convenience led at length to its general adoption. As has been already pointed out, factory towns arose in connexion with the use of steam power. In many ways it was a great boon to the operatives: the chief cases of overwork, through long hours, seem to have occurred in water mills, where the operatives were anxious to make up for time lost through the stoppage of the water. The stories of the harshness of slubbers towards the children who helped them, and who were worn out with working many hours at

Water power
and steam
power.

a stretch, all come from mills of this kind. The disuse of water power has been accompanied by a cessation of any valid excuse for working excessive hours. On the other hand it may be said that along with steam power has come the development of new machinery, carrying a very large number of spindles, and involving a far greater strain on the faculties of the worker than was requisite in the old mills. Work goes on at higher speed, and there is increased tension and pressure on the powers of the operative.

The last of the great inventions, which it is necessary to note here, was the power loom which gradually displaced weaving by hand. It was the invention of a singular man. Dr Cartwright was a Kentish clergyman who, when visiting Matlock in 1784, entered into conversation with some Manchester men, and made a casual suggestion as to the possibility of a power loom which should follow up the spinning done by power. His friends scouted the idea as impracticable, but he set himself to carry it into effect. After some years he succeeded in producing a loom that was capable of being worked commercially; but the invention was hardly taken up during his life time. He demonstrated that power weaving was possible, just as he also showed that wool-combing could be done by machinery; but hand loom weaving continued to be the ordinary practice till about 1840. At that time a Commission investigated the condition of the hand loom weavers. Power weaving had been introduced for the worsted trade of Bradford, but hand weaving was holding its ground in the woollen manufacture at Leeds. In the cotton trade, power weaving had also come into vogue, but apparently it did not displace hand weaving. The trade had been expanding, and the additional cotton cloth woven by power was sold without

The power
loom.

interfering with the employment of those who worked on the old system.

At the same time the rates of pay for weaving were miserably low. This may, conceivably, have been indirectly due to the possibility of having recourse to power weaving, but it was also a reason why the new invention was introduced so slowly. When wages were very low and the expense of production by hand was small, it was not worth while to run the risk of purchasing and setting up expensive machinery. It was not advantageous to do this unless the margin of probable profit was considerable. In 1840 there was reason to doubt whether power weaving would be generally introduced after all. It did not seem likely to be less expensive than poorly paid hand labour for low-class goods, and moreover it had not been so far perfected that it could do the high-class work of the best weavers.

The great advantage of machine production in the eyes of the employers was similar to that which led them to prefer steam to water power. For all trade purposes it was desirable to have the organisation of business under control. Water power could not be counted upon, and the hand loom weavers could not always be trusted to work regularly. They could not be depended on to finish a job, so that orders could not be executed for certain by a given day. With power weaving the whole was under the master's eye; he knew both where he stood and what he could undertake. Besides this the difficulties, which arose from time to time from the embezzlement of materials, were far less likely to occur in connexion with power weaving carried on under supervision in a factory.

Advantages
of the new
system.

Some of these advantages could be secured by a system which had been adopted before 1840 in the woollen trade

in Scotland, and which was beginning to come into vogue in the cotton trade also, though more slowly. The masters erected sheds in which looms were placed, and the weavers came and executed their work by hand loom but under supervision. Those who worked in this way got much higher wages than the men who preferred the greater freedom of working at home: but after all, such hand loom sheds were only a transitional form. Weaving organised in this fashion had its advantages, and when thus managed the application of power was particularly easy, especially if it was already employed on the same premises in connexion with spinning.

The hand loom weaver was greatly attached to his calling and stuck to it when work was very intermittent and badly paid: but soon after the Commission of 1839 had reported, it became obvious that he was engaged in a useless struggle, and that power weaving must win the day. As it came more and more into use the transformation of the clothing trade became complete. It ceased to be a great industry which gave employment for great varieties of highly specialised skill, and was transformed throughout into a series of processes of production by machinery.

129. During the whole course of the industrial revolution there was a decided feeling among many of the labourers that machinery was their enemy, diminishing their opportunities of employment and bringing about a reduction in their wages. This feeling found expression in many ways; sometimes in such riots as those in which the Yorkshire shearing frames were destroyed, and sometimes in proposals to impose legislative restrictions on the use of machines, so as to bring them to a level with hand work, and prevent them from doing the work more quickly or

Machinery,
and the
expansion of
trade.

more cheaply than it could be done by hand. This latter suggestion rested on the old fallacy that employment is a limited quantity, and that efficiency of every kind is an evil, since it leaves less work to be done, and therefore less scope for employment at the old work on the old terms.

Under ordinary conditions this is a quite mistaken and, in any case, it would be a narrow-minded policy to pursue. Whatever the interest of a particular trade may be, the interest of the general public is best secured by efficiency. When goods are made more quickly and more cheaply, wants are supplied on easier terms. These are benefits which accrue to consumers generally, and in the case of articles of common consumption like clothing the working classes, collectively and individually, gain by increased efficiency and greater cheapness of production.

But this gain is sometimes so very slight and distant, that it is absurd to point it out as a consolation to a man who loses employment because his work is done better and more cheaply by a

Displacement of workers.

machine. The gain to the community at large may be very great and may be undoubted, but there is serious loss to the individual who is no longer required to do the only thing he can do thoroughly well. Despite its benefits, the introduction of machinery has meant the displacement of workers possessing special skill as spinners or weavers; and a mechanical invention, which renders their special attainments useless and valueless, causes them irreparable loss. It seems hard to weigh an infinitesimal gain to a large number of consumers, against the ruin of a skilled artisan whose whole employment is taken away from him by the introduction of a machine which has rendered him useless.

But, despite this real and immense loss to the workman whose skill is specialised, great gain has often resulted to labourers generally, and to the general demand for labour, from the introduction of the machine which supersedes him. By more efficient and less expensive methods, greater quantities can be produced at the same cost as before, with the result that the price can be lowered. The lowering of the price is almost certain to call forth an increased demand, and it is more than likely that, to meet this increased demand, a larger number of labourers will be employed to work the machinery than were previously required to do the work without the machine. So far as the effect on the labour market generally is concerned, there will possibly be more employment and a larger sum to distribute in wages, after the introduction of machinery than before. Increased efficiency, with consequent cheapness, is the one thing that can be counted on to stimulate demand permanently, and to give additional opportunities for employment.

This tendency may be illustrated by two simple cases. The cotton trade was a very small affair before the era of invention. The number of hands employed in spinning and weaving was quite inconsiderable. Good spinners were losers, when their special skill was superseded by machinery; but the expansion of the trade has given far more scope for employment in spinning and weaving than there was before. The factory towns are a conspicuous proof of the way in which the introduction of machinery has opened up additional employment for a large population. Again, the railway system of this country may be regarded as one huge machine for carrying on the internal traffic of Great Britain. Its introduction was opposed by many persons on the ground that it would supersede the work of and the need for horses, that coachmen, horse-breeders and others would

suffer. Undoubtedly the special skill of the mail coach driver is no longer required and he has suffered ; but railways, by rendering travelling very cheap, have created an unprecedented demand for means of conveyance, and the total field for employment, as servants, in connexion with railways, as clerks, porters, surfacemen, drivers, guards, &c., must be far greater than was available in coaching days. The invention of railways was prejudicial to one small class, but has, on the whole, opened up immensely increased opportunities of employment.

It may, perhaps, at first sight appear as if the destruction of some special kind of skill were an irreparable loss, for which the substitution of an increased number of less highly trained persons does not altogether atone. But it must be remembered that different, and perhaps higher kinds of skill are called forth in connexion with machinery. There may be less need for some one form of manual deftness, but more intelligence is required in working with a machine. It would be difficult to show that the present generation of workers are less intelligent, or more defective as human beings, because of the introduction of machinery, even though they may be destitute of some special form of manual dexterity.

Or the whole, then, it may be said that labourers, generally speaking, have not suffered by the introduction of machinery, but only one class or Gain to consumers. another, which possessed a kind of highly specialised skill, that is superseded by some machine. This is a real loss ; but it is a limited one which must be set off against the general gain—to the consumers in cheapness, and to labourers generally through the subsequent expansion of trade. It must be noted, however, that the advantage of increased employment does not arise, if, despite the

introduction of machinery, there is no subsequent expansion of trade. In the case of an article that is not one of common consumption, it may be doubted if increased cheapness can ever greatly increase the demand. Top boots are but a small element in the cost of hunting, and if top boots were rather cheaper, they would possibly be very little more worn. In other cases no expansion in the trade may be possible because of the limited supply of the materials. Till Australian wool was brought in large quantities to the market, this was partially true of all departments of the clothing trade. It could not expand rapidly, as additional supplies of material were not forthcoming. As pointed out above, this limitation told in favour of the skilled weavers at the time when the flying shuttle was invented. But things worked out differently in the case of later inventions which were substitutes for, not subsidiary to, skilled labour in the clothing trade. When shearing was done by machinery, the shear-men, or croppers, were displaced. There was little, if any, expansion of trade consequent on these changes, and therefore there was a loss to this old-established craft, that was not recouped by labour generally. In the same way, wool-combing was a limited trade, and the introduction of combing machinery displaced skilled workers, without causing expansion, or opening up any new opportunities of employment. The stand that was taken against machinery by the shear-men of Yorkshire—an agitation which was closely connected with the Luddite riots—had more justification than can usually be alleged on behalf of such outbreaks. Skilled labour was displaced, and there was no further change by which other classes of labourers gained directly; their indirect gain, in so far as they were consumers who could obtain clothing cheaper, need not be taken into account here.

130. However interesting it might be, it is extremely difficult to attempt an estimate of the difference which the industrial revolution has made in the general social and moral conditions of the labouring class

The proletarian. Stability and progress.

Before the industrial revolution, the English woollen weaver was, generally speaking, resident in a rural district or had, in some way, an interest in land. He might have a garden, like the Sheffield Cutlers, or carry on pasture-farming, like the weavers near Leeds. He was not entirely dependent on his trade: in times of industrial depression he still had something to fall back on. He could, at least, tide over a few weeks of bad trade, and even though he might have to 'go short,' still it was possible for him to manage somehow. But with the aggregation of labour in large towns this was no longer feasible. The weaver was spared any waste of time in going for materials or in selling his cloth, but his house was cramped up in a crowded area, where neither he nor his neighbour could have any land. In this way his whole condition came to be directly dependent on the condition of trade. Wages were his sole means of support; if employment was difficult to get, or payment was low, he had no means of eking out his subsistence from any other source. Instead of having two strings to his bow he had only one; he was, consequently, in a far less independent position.

Industry divorced from land.

A similar loss fell on the agricultural labourer. While spinning was an occupation which was diffused throughout the country, the earnings of his wife and children came in as an additional source of income. He also had two strings to his bow—and if he had grazing rights also, he may be said to have had three. It was a position of great economic stability; but with the introduction of

machine spinning, and the progress of enclosure, he was deprived first of one means of support and then of another. Like the factory operative, the agricultural labourer came to be wholly dependent on wages for the income of his household. His economic condition no longer rested on "the stable basis of land but on the fluctuating basis of trade," since he was merely a wage-earner, and his whole chance of employment and the rate of his pay had come to depend on the market price of the product.

Much is said at present about the desirability of rendering rural life more attractive, and of preventing the migration of labour to towns. The gist of the matter really lies in rendering the village household more prosperous. It may be possible to supply allotments, and re-create domestic subsistence farming; but the crucial difference between the past and the present lies in the fact that formerly there were many by-employments available, which have been concentrated, as it were, into distinct trades. The improvement of means of communication may make it possible to start works in villages—e.g. printing works, so that the artisan may once again enjoy the advantages of rural life, while still having regular employment at his trade, but it is not so easy to see any possibility of a revival of cottage industries, which might replace the peasant family in the stable position it occupied before the industrial revolution.

But, after all, the old condition of economic stability was inconsistent with progress. It passed away because the division of labour has rendered production more efficient, and because the enterprise of English merchants has brought us into commercial communication with all parts of the globe. Thanks to this progress, English artisans and labourers have gained in many ways. Tea drinking was

spoken of as a vicious extravagance in the eighteenth century; it has come to be regarded as almost a necessary in the most frugal households. Oranges and other fruit, tobacco and newspapers, are luxuries which are much more generally available than they were. These are distinct additions to the comfort of life, which the labourer could not previously enjoy at all. Besides this, clothing and household utensils of every kind are far cheaper than they were; the industrial revolution has done a great deal to increase the purchasing power of wages. It is not easy to balance the loss and gain in the labourer's material condition; the loss of stability is real, but the gain through progress is also real. The problem which faces us is not that of returning to the old circumstances and losing what we have gained, but, if possible, of introducing some new conditions of stability which shall yet be compatible with farther progress.

If there is so much difficulty in estimating the precise change in the material well-being of the labourer, it is far harder to trace the Factories
and character. effects on morals and character. There is a constant tendency to idealise the past, and to represent each generation as worse than its predecessors; it is easy to make such assertions, and we rarely have the means of testing them or of saying what elements of truth there may be in this view. It is also easy to point out the demoralising and degrading elements in town life, and to regret the wholesome influence of rural surroundings. But it is true that rural surroundings do not always make for morality, as the statistics of illegitimacy show. The dilatoriness and dishonesty of the domestic worker were the chief reasons for the progress of that factory system which brought him under effective supervision. The life of the factory operative is

far more regular and disciplined; so that at first there was a real indisposition to submit to the tyranny of the Factory Act, and the better and more independent elements in the population held out against it. But that is a thing of the past, and it can scarcely be said that an influence which has rendered the ordinary habits of artisan life more regular and steady has been other than good.

The independent workman was also to a great extent isolated: the aggregation of labourers in towns has had an important socialising influence. It has prepared the way for the formation of the great friendly societies, the co-operative societies and other artisan organisations. The formation of such societies and the management of their affairs are in themselves important educative influences, and have called forth remarkable administrative powers. And even if the action of Trades Unions has sometimes been open to criticism for unwisdom, it should not be forgotten that the organisation and disciplining of the army of labour is no mean achievement. The comparative self-restraint and freedom from outrage which characterises recent labour struggles, as compared with those of 1812 or 1816, shows a remarkable progress in effective self-control on the part of the labourers. Here, too, there is progress in morality.

Even when the disadvantages of town life are considered —in high rentals, foggy air and other evils— there can be no doubt as to the superior attraction which it possesses. The opportunities for self-improvement and for amusement are far greater in the town than in the country. It is impossible to suppose that, with all the influence of education, the standard of intelligence in rural districts has declined during the last century; and the difference between the town bred artisan and the agricultural labourer in the present day, in all

Self-im-
provement and
amusement.

matters of intellectual capacity, is not an unfair measure by which to gauge the progress in intelligence and culture that has synchronised with the industrial revolution. There are good and bad individuals in all classes and at all times. The enumeration of single instances can never be a satisfactory method of reaching a conclusion on this difficult question. But the growth and development of social institutions is a far more satisfactory test, and this seems to bear unimpeachable witness to the moral and intellectual progress of the labourer during the last hundred years.

131. The preceding sections may have served to bring out the steadily increasing importance of capital in the process of manufacture. It has intervened to seek markets, to provide materials, to organise the different branches of a trade, and to supply implements and tools. Those who are the owners of wealth have gradually come to take an ever increasing share in the work of production. The existence of industrial capital, as a fund devoted to the production of more wealth, has rendered it possible to carry out the division of labour, and to render labour more efficient by supplying implements and machines, while it undertakes the necessary purchase of materials and the sale of the product. The possessors of capital would not apply their wealth to these purposes, or would not continue to do so, unless they saw their way to gain, and this gain is termed profit. Besides the profit which all capitalists expect to get when they undertake the risks of business, the men who manage business and arrange for purchases and sales are paid for their difficult and responsible work, and obtain earnings of management for their trouble. In a private firm, where a man owns the capital and manages the business himself, he may

Individual
and State management.

not be able to distinguish between the part of his income which comes to him as profit on his capital and the earnings which are remuneration for his difficult work : but the two elements are different, whether it is easy or not to separate them, and it is by no means hard to distinguish them in the case of a great limited liability company. The capital of the London and North-Western Railway is owned by the share-holders, and their profits come to them in the form of dividends paid half-yearly. Very few of the share-holders take any active part in the management, and those who are called on to do so, as directors, receive fees for their trouble. The greater part of the work of management is done by salaried officers, who are paid for their trouble, but who may not be share-holders at all. In such a case it is very easy to distinguish the *profit* on capital from the receipt of *wages of management*.

With the growing complexity and responsibility of commercial organisation, the difficulty of management has greatly increased, and there has been a corresponding rise in the salaries paid to efficient men for carrying on business of any kind. The payments for ability of this kind, for showing enterprise and undertaking responsibility, have greatly increased, and when we consider how much depends on such work being done well, it is difficult to suppose that the great companies, engaged in eager competition and keen to make profits, allow themselves to be wasteful or extravagant in this item. But while the earnings of management are thus high, the payments to the capitalist, who by investing his money in a business enables it to be carried on on modern lines, are by no means so large as they used to be. The profits of capital are steadily falling : the rate of interest, or payment for capital borrowed, serves to indicate the direction

of changes in the ordinary rate of business profit. If men see a reasonable probability of making high profits by the investment of their capital they will be unwilling to lend it at a very low rate of interest. The gradual fall in the rate of interest to $2\frac{3}{4}$ per cent. since the time of Elizabeth, when the crown had to pay 12 per cent., serves as an index, which shows that there must have been a somewhat similar decline in the rate of profit, and that capitalists now-a-days are willing to invest their money in business for a far smaller reward than they expected two centuries ago. The functions of capital have increased enormously, but the rate at which capital is remunerated has steadily declined.

There is, however, a very general impression in many quarters that employers derive an undue share of the results of production. When this is said we ought to distinguish the two elements The functions of employers. in the employer's income, the profit on his capital, and his earnings as a manager. Taking these two separately we may consider whether there is any reason to think that this important and necessary work can be done as well but at a lower rate of pay.

Business cannot be carried on without capital, indeed there is an ever increasing need for more and more, as the part played by capital steadily increases. Many undertakings have been starved for want of capital, and the difficulties of the Darien Company or the East India Company at the beginning of the eighteenth century have been a great object lesson as to the need of this factor in carrying on business.

Capital is more easily obtainable and on lower terms at the present day than was ever the case in England before. At the same time it is conceivable that Government could borrow money very cheaply and supply it to carry on the

business of the country at a still lower rate. To this extent it is possible that some kind of State Socialism might be cheaper than our existing system.

But when we come to consider the other item—wages of management—it is difficult to make out a plausible case for supposing that business would be done in a more thorough and enterprising fashion by Government departments than by private firms. Neither the management of the dockyards nor a comparison of the condition of railways in different countries gives any solid ground for supposing that State management would be less costly, or would in any way be better than that which is afforded by private enterprise. It is absurd to contend that employers are overpaid for the work of management, unless we can show some means of getting their duties done as well and at a cheaper rate. It is plain that they are highly paid, but this high pay is earned by responsible work; and we have no right to grudge high pay, as if it were overpay, unless we know that the work can be done as well and more cheaply.

There is also a certain jealousy of the action, rather than of the gains, of employers, which rests on the suspicion that business is often conducted on lines which do not favour the interests of labour. Hopes are entertained that under democratic government it may be possible to legislate so that industry shall be developed in those directions which suit the labourer, and not primarily in those which are advantageous to the capitalist.

Now this suspicion and expectation have some justification in the history of the past century. There have been times when capitalists, by reckless speculation or by spreading work at starvation rates, have injured labour. They have done more; they have injured trade, though

they may have succeeded in reaping a temporary gain. But it is also true that if the labourers pursue, or have power to obtain, their own immediate interest in disregard of the future of their trade, loss must fall, not only on capital, but on labour (p. 211). The only interests which the State can be rightly called in to promote are the permanent, not the immediate, interests of labour. In their permanent interests and in the long run, capital and labour are not antagonistic, since each is really interested in securing the greatest possible efficiency.

The short-sighted pursuit of immediate interest, either by labour or capital, is disastrous to both; a short-sighted policy on one side or the other Efficiency
and expansion. has been the cause of keen antagonism. Sixty years ago doctrinaire economists and capitalists alike denied the impossibility of paying higher rates to the workers, since they looked on the wages fund as a fixed quantity. They had no expectation that trade would expand and argued that starvation rates were inevitable; but an increase of efficiency has increased the product to be divided and wages have risen. The fund is fixed but only for a given moment; it is always capable of expansion. The labourers, too, have fallen into a similar error: they have acted at times as if the field for employment were definitely fixed, and incapable of expansion. They have spoken as if scamping work, idling and 'making work,' were the only modes of providing employment for additional hands. But by so doing they were making business less remunerative, and thus taking a course which tended to reduce the employment available. By increased efficiency work is better done, and a demand is stimulated for more work. Increased efficiency is the one means by which farther progress can be attained; it is the one security against

successful foreign competition. It has no immediate reward in deed ; it can only be attained through fresh effort and more serious risks, but for all that it is the only expedient by which the permanent interests of capital and labour can be brought to be at one.

CHAPTER X.

RESULTS OF INCREASED COMMERCIAL INTER- COURSE.

132. IN a preceding chapter attention has been called to the importance of commerce as a support of the external power of the realm. It was in this aspect that it has been specially favoured, and with this object that it has been fostered: but commerce has also played an important part in the internal life of the country. It has reacted, in all sorts of ways, both on agriculture and on industry. This influence has been taken for granted, or alluded to throughout, but a few remarks on it now may serve to bring these scattered hints together into a brief summary.

International
rivalry and
competition
between
nations.

The advantages of commercial intercourse are obvious so far as raw products are concerned. There are differences of climate and soil, so that each country gains by intercourse with others. As Hales puts it in his *Discourse of the Common Weal*, "Surely common reason would say that one region should help another when it lacketh. And therefore God hath ordained that no country should have all commodities; but that, that one lacketh another bringeth forth; and that, that one country lacketh this year, another hath

“plenty thereof the same year; to the intent that one may know they have need of another’s help, and thereby love and society to grow amongst all the more” (p. 61). Intercourse with foreign lands has been obviously advantageous to consumers at home, and also advantageous to producers who could find a vent for the surplus which was not required and could not be profitably sold in England. In the fourteenth century there might be keen rivalry between traders, but there was comparatively little room for economic jealousy between different nations.

With the development of manufactures the case has been somewhat altered. For many kinds of manufacture one country seems to have little, if any, physical advantage over another. Spinning and weaving are simple arts practised in all parts of the globe among peoples who have made but little progress in civilisation. Governments realised in the seventeenth century that by planting new manufactures, it was possible to do without the import of some commodity, and to provide remunerative employment for labour at home. When commerce came to be concerned as subsidiary to industry, in providing materials or in pushing commodities in foreign markets, there was far more room for international jealousy and for the imposition of hostile tariffs on foreigners, or of restrictions on the natural development of colonies.

So long as specialised human skill was the main element in successful manufacture, the possession of **Special advantages.** a skilled population gave one country a decided advantage over others in certain branches of trade. This long inherited skill could not be easily fostered or acquired. The transference of skilled persons was the only means by which a new trade could be effectively planted. Hence the migration of artisans to England was of the

highest importance for her subsequent progress (§ 11). But, in an ordinary way in the eighteenth century, each country could hope to retain its special advantage for particular manufactures almost as completely as it retained its special advantage for particular products. With the introduction of machinery, however, there has been a change. Any country can acquire the means of producing ordinary commodities in the best way, and skill in manipulation is not so special, or so difficult to acquire as in the old days of manual labour. As a consequence, economic rivalry between nations is becoming keener in some ways, because there is a reasonable hope of successful competition in production of almost every kind.

There may, of course, be special conditions which give one country a physical advantage over another. The climate of Oldham is said to be specially favourable for fine spinning. Cheapness of materials gives an advantage to the Bombay mills, as the cotton has to be carried but a little way. Still the cost of carriage is comparatively small for such cargo; on the other hand, abundant supplies of fuel and proximity to the natural centres of the engineering and hardware trades are real advantages so far as they go. In the early days of the free trade movement, they were probably regarded as the all-sufficient bulwarks of England's manufacturing supremacy. The increasing demands on our coal-beds, and the opening up of new fields in other continents, make it doubtful, however, how long this special advantage will continue to rest with us. On every side it is becoming obvious that special physical facilities are being more and more widely diffused: the industrial leadership of the future will lie with that people who shall attain to the greatest efficiency, by the combined excellence of their industrial organisation, and the high intelligence and character of their operatives.

133. In so far as any country has a special advantage for any kind of manufacture or product it is of course economically desirable for it to specialise in that direction, and to supply its neighbours with what they lack. By this means the consumers of such goods in all neighbouring lands will procure what they require on easier terms than would otherwise be the case. But when this course is considered as a matter of national policy, it becomes important to ask, who are the consumers of imported goods in any given land, and how far is this benefit widely distributed? This may be illustrated from two different periods of English history.

Advantages
of commercial
intercourse to
consumers.

Edward III was anxious to encourage frequent and easy communication with the trading centres on the Continent. He was, as we may say, a free trader, who advocated a policy of 'plenty' or cheapness to the consumer. But the typical article of import at that time was wine, a luxury consumed at court and among the upper classes. The great mass of the population made very little use of any imported commodity, and the policy of cheap imports scarcely affected them. In the present day, on the other hand, our supplies of bread, eggs, cheese, meat and fruit are very largely brought from abroad. The very poorest are dependent on foreign commodities for the means of subsistence, and it is of the greatest importance for the population of England, as a whole, that goods imported from abroad should be plentiful and cheap. Frequent and easy intercourse are a necessity to us in our present condition; we could not reverse the free trade policy, on which we have entered, without causing general and wide-spread suffering.

But this was not the case in former days: it may be said that in a country such as England, in the time of Edward III, the protection of home industries was the

preferable policy in the interest of the public at large. If the rich paid more for fine cloths and wine, the poor were none the worse off. Protection served to create additional employment for English labourers. Where the mass of the people in any country make little or no use of foreign commodities, they do not feel the advantage which results from measures which render imports cheaper to the consumer; while they do benefit by having employment opened up or secured to them. Many of the colonies are in a condition somewhat similar to that of England under Edward III, and hence democratic governments are inclined, by hostile tariffs, to render foreign manufactures dearer, with a view to providing additional employment. Those who consume foreign luxuries are worse served and pay more, but a local industry can be planted and artificially fostered, so that employment may be provided for colonial producers. At the same time it is at least open to doubt whether any country is so well supplied with all the necessities of life—including say clothes and boots—that it is economically wise, in the interests of its public, to adopt a line of policy which is unfavourable to the consumers of foreign goods.

In the case of England at the present day, when we are dependent on foreign sources for the necessities of life, this economic consideration is paramount over all others. In other countries, however, it may be an open question whether it is not wise to sacrifice some economic advantage for a political or social gain. The less developed countries of the world have their ambitions. They know that opportunities for culture of every kind and possibilities of importance in the world are precluded to a country with a very sparse population. They may prefer to secure an

Direct bearing of free trade.

artisan or town population, as well as a rural one, and they may be prepared to make an economic sacrifice for this object. It is thus that the question of free trade raises issues which lie outside the scope of economics. There is no doubt where the economic advantage lies in the case of countries which are dependent on other lands for articles of common consumption; but the economic advantage of one course or the other is not so clear in the case of countries which only import luxuries from abroad. And when the economic question is decided, the political result from one course or the other must be weighed, before the matter can be settled. Under the circumstances it is difficult for Englishmen to hope that, though demonstrably the best for themselves, the policy of free trade will be very readily adopted by other countries.

At the same time, though the McKinley Bill and other hostile tariffs have raised, in recent times, many new barriers to complete freedom of commercial intercourse, there can be no doubt that it is, on the whole, increasing. The total volume of commerce is greater, and different countries are becoming more and more economically interdependent. Communication is now so easy that a very small amount of advantage renders it possible to drive a profitable trade. The progress that is continually going on, in opening up half-civilised or savage countries, brings about new developments of trade; and there is now regular and frequent intercourse with regions that were wholly unexplored a century ago.

134. If we turn to consider the internal condition of England, there can be little doubt that the development of commerce, with its reaction on industry, has enormously promoted the material well-being of the country.

Commercial
intercourse as
the solvent of
social organi-
sation

When we compare the present condition of England with the state of affairs at the accession of Elizabeth we see how greatly she has increased in material prosperity. From being an insignificant island realm she has come to take her place as one of the great powers; and her political importance has come through the wealth obtained by her commerce. Population, too, is about six or seven times as large as it was, and though the standard of comfort of the lowest class in the community has not been raised, and there is no preventive check to the undue multiplication of the unfit, the great body of artisans have risen to a position where they can command far better housing and clothing than were available in the time of Elizabeth. Commerce gives them certain commodities at lower prices than they can be produced in England. Commerce has opened up opportunities of employment that they could not otherwise have had; it has contributed in every way to their material prosperity. On this point we need hardly be left in doubt when we read the accounts of the frequent famines of the Middle Ages, or of the almost chronic pestilences of the fifteenth and seventeenth centuries. There is no need to fear a recurrence of the former evil so long as we can draw our food supplies from a large area; the disappearance of the latter implies the removal of those insanitary conditions which gave it such a firm hold. The death rate, so far as we can get at it, gives us a physical and, therefore, a definite means of estimating the standard of comfort which was available in past centuries.

But this improvement in material prosperity throughout the country has gone on simultaneously with other changes in internal conditions. Commercial intercourse is a solvent which breaks up industrial organisation. Commerce brings different

Self-sufficiency and interconnexion.

groups or nations into economic interdependence, and is incompatible with the economic self-sufficiency which is favourable for the growth of long-lived institutions.

There was a time in England, before the Norman Conquest, when each manor or village was a self-sufficing group, as there are districts in India where the same thing holds good to-day. They possessed a good deal of collectivist organisation. The wants of the villages seem to have been supplied from its own resources, before anything was sold to outsiders. The swineherd and the beeherd may be regarded as village officials, who looked after one department and had a claim to support from their neighbours. Village artisans could meet the requirements of the place sufficiently. There was but little need for intercourse with the outside world, and there was no need for change in mutual relations within the group. But internal commerce soon broke all this down. The farmer now buys what he needs at the market town, and the village artisan is left unemployed, while each man utilises his land as he judges best, and all trace of collectivist organisation within the group disappears. The village, instead of being a small but self-sufficing economic whole, has sunk into being a mere rural element in the life of that larger economic whole—the country. Through commerce it comes to specialise in its production, and to buy those things which it has no advantage for making. It loses its economic self-sufficiency and the completeness of its economic organisation.

In a similar way, if we look back to the condition of England at the beginning of the reign of George III, we may say that it was, especially if its dependencies are taken into account, a self-sufficing country. At that time there was a curiously complete economic organisation of national affairs. Parliament expended an immense amount of care

on the national direction of enterprise into certain channels which were regarded as advantageous, and which helped to build up the power of the country. Many measures were taken by the nation to plant, foster, and protect such industries as might afford remunerative employment for the population. Special attention was given to the national food supply, and such encouragement was bestowed on agriculture as might ensure a constant and regular supply of corn. The proper training of workmen was provided for, and there was, on paper at least, a machinery for ensuring him sufficient remuneration; while those who were unable or unwilling to work were kept alive, rather than cared for, by means of the Poor Law. There was a great system of commercial and industrial organisation, which took cognisance of every side of the industrial life of the nation. But the increased opportunities afforded by commerce, and the specialisation into a great manufacturing country, which is a very recent development, have broken down this great organisation. Enterprise is no longer controlled; it seeks its own channels. Industry has resented fostering care and asked to be let alone. Our food supply comes in the ordinary course of trade. The training of the workman is not systematic, and his wages are allowed to change in accordance with market fluctuations. The Poor Law, recast indeed, still remains as the sole surviving element in the great system of national economic organisation. Commerce has broken down that system, or has, at least, given free play to the special industrial developments which outgrew and superseded it altogether.

It would be easy to illustrate this action of commercial intercourse from the changes which are going on in India at the present time. It is enough to say that economic interdependence implies

Fluctuation
and organisa-
tion.

fluctuation and changes, while thorough-going organisation has grown most readily in the stable conditions furnished by the self-sufficiency of a given group. There were, of course, institutions for carrying on commerce in the towns; in these centres of commerce, there has been a strange facility in taking new departures and entering on new developments as the circumstances of trade have changed. But the systematic organisation of economic life is a different matter. There is an element of instability in the social system wherever commercial intercourse comes in. It has served as a solvent in the past, and any attempts, made at the complete economic organisation of society in the future, must face the problem of how to take account of commerce and the variations which it causes. Can it be excluded and a condition of primitive simplicity secured, or can it be controlled so that it will not react on the social fabric? Is it possible to devise a thorough-going economic organisation of society in countries, which are very diverse in habit and tradition, and are yet economically interdependent on one another? If such organisation is possible, would it rest on a cosmopolitan or a national basis? These are questions suggested by the breakdown of social organisations in the past. The answers lie hidden in the future.

At any rate we may see, when we remember the gradual process which has undermined the social life of the past, that there is little hope of reproducing it successfully. The conditions under which medieval craft guilds or yeoman farmers flourished are gone for ever. We must look forward and frame ideals for the future, which shall take account of all the new powers which have come into man's hands for subduing nature. But we may also do well to turn at times to the past. The better we understand the circumstances under which economic life has flourished or has

succumbed, the better shall we be able to forecast the conditions, which will be most favourable for the realisation of our aims in time to come.

135. The influence exerted by commercial intercourse in breaking down old social institutions has also reacted curiously on the economic relationships and responsibilities of individuals.

Modern complications and individual duty.

So long as each man was practically restricted to one neighbourhood, or confined within certain definite limits of trade, there was little room for independent action. Within each isolated group each individual stood in known relationships to other persons. The harshness of a lord to his serfs, or the negligence of a master in not *finding* his apprentice properly, were definite acts which could be easily brought home, and for which the blame could be properly affixed. Similarly, the producer stood in very close relations to the consumer for many purposes, and "fairness as between man and man" could be made to cover ordinary trading transactions, while conventional rules and a privileged position could be used to regulate the conditions of foreign trade and to limit attempts at extortion. The sphere for personal independent action was limited, and hence the discharge of personal duty was comparatively easy.

To put it in the simplest way, if wrong were done, it was comparatively easy to make restitution. Each group was comparatively isolated, and economic relations were close and direct. In modern times, on the other hand, when goods go to market and are bought at market, there are many intervening links between the producer and the consumer. The man who does bad work may never know who is the sufferer, nor is the person who buys goods as a great bargain, at a price that must be unremunerative to the producer, able to trace out the person by whose labour and

at whose expense he has gained. If he pays more than he is asked, he has no reason to suppose that the person who has been sweated will be the better for it. Hence an unsatisfactory state of affairs arises; economic wrong is done, and those whose action occasions it feel they can neither help it nor make up for it. They have no direct personal responsibility. The intervention of so many markets and so many intermediaries has removed it out of that range of personal action within which it fell in earlier times.

But while the break-down of the old social isolation has reduced the sense of personal responsibility, **Personal influence.** it has also given a far wider bearing to the economic action of individuals—both in time and place. To give to a poor man in times when there was little freedom of movement was an isolated act. Each case of hardship was an individual one about which there might be very full knowledge and which could be treated on its merits. But since the Tudor period, when the vagrant class came into prominence, all this is changed: the indirect and ulterior effects have to be considered as more important than those that are immediate. Open-handed beneficence may tend to create and perpetuate an idle and vagrant class: the very means which have been taken for the relief of the poor may aggravate the evil. Wherever it is possible for a man to count on regular relief, or to obtain indiscriminate charity without working, the motives to shirk the ordinary routine of life are greatly strengthened, and the growth of pauperism is stimulated. Thus it may easily happen that action, intended for the relief of the poor, will ultimately and indirectly increase the very evil it was meant to prevent. This knowledge does not of course diminish the duty of trying to help the poor, it only imposes an additional duty of being circumspect and considerate in our efforts to relieve them.

But commercial intercourse also gives a new character to our relations with distant peoples. We are brought into contact with them and indirectly exercise an influence upon them. So long as trade was confined to special points or to factories this was hardly the case, but the opening up of half-civilised countries to the traders of all nations has led to a sudden influx of European commodities and Western ideas. The sense of duty to native races and to dependent peoples is far stronger than it was a century ago, when national feeling was far more exclusive than it is now, and obscured the sense of humanitarian duties. It is strange to note the indignation expressed by Whitfield at the restrictions placed on the English in Georgia, which prevented them from supplying rum to the natives or from possessing slaves. The ordinary religious conscience is more enlightened now ; it has come to recognise that we, as a nation, have a real duty towards all those people whom we influence through our commercial relationships.

We are thus brought face to face with more than one economic influence which is so indirect and far-reaching that it cannot be effectively controlled by any single individual. There is need here for collective moral action : within the sphere of direct personal relation, the old moral duties of fair dealing remain. In the larger areas where markets intervene and individual action is powerless, there must be collective action through constituted authority to enforce duty in economic matters. It is easy to say that men cannot be made moral by Acts of Parliament, but it is true to reply that Acts of Parliament can enforce the performance of any duties to which the public conscience is really awake.

136. The differences, which separate the industrial life of the present from that of any earlier cen- Conclusion.

ture, are so complex as to render it exceedingly difficult to apply the results of historical investigation directly to the practical questions of our time. But though our knowledge may not supply us with cut and dried formulæ for the regeneration of society to-day, it will help us to understand our own age more truly. By tracing the origin and growth of existing evils we may discover how deep-seated they are, and how difficult to eradicate: we may be able to make a more accurate diagnosis and to state more clearly the problems which press for solution. History may not repeat itself, but conditions, which are more or less similar, do recur; and we can, at least, glean suggestions from the past as to remedies which may be tried with some prospect of success. We may receive warnings and learn to detect some of the dangers that lurk in many well-meant efforts for improvement; by so doing we may reap a benefit from past disasters and profit by the experience of bygone generations. It is, in some ways, an admirable training to study some burning questions, as they presented themselves to, and were worked out by, former generations of men. Where our personal interests are unaffected, and our private passions remain unroused, we can, perhaps, more easily do justice to both sides of a case; and those, who have learned to be fair in their judgments on the dead, are more likely to be fair also in controversies with the living. Enthusiasts who seek some Utopian scheme, which will heal all disorders, may turn from history in disgust; for them it may have no message. But those, who patiently face the fresh difficulties which each new age presents, will find that they can study them more thoroughly and deal with them more wisely, if they do not altogether disdain such help as may be gained from an impartial study of the past.

CHRONOLOGICAL TABLE.

	Immigrants to Britain. Physical Conditions (Chs. I., II.)	Manors. Agriculture (Chs. III., VIII.)
400	c. 449—600. English Conquest.	410. Romans leave Britain.
500	597. Roman Mission (Augustine).	
600	635. Columban Mission (Aidan).	
700	787—1042. Danish invasions, settlement, conquest and rule.	
800		991. Etheldred II. levies Danegeld.
900		1051. Abolition of Danegeld.
1000	1066—70. Norman Conquest. 1066. Devastation of North. Immigration of Norman artisans. Cistercian monasteries founded.	1066—70. Norman Conquest. 1084. Revival of Danegeld. 1086. Compilation of <i>Domesday Book</i> .
1100		1130, 1156— <i>Pipe Rolls</i> .
1200		1175—1253. Grosseteste's <i>Rules</i> . Walter of Henley's <i>Husbandry</i> .
		1236. Statute of Merton.
1300	1313—90. Regulation of Staple. 1331, 1336, &c. Influx of Flemings. Introduction of 'old' drapery. c. 1350—c. 1600. Sheep-farming at expense of tillage.	1327. <i>Extent of Borley</i> . 1348—50. Black Death. c. 1350—c. 1600. Sheep-farming, depopula- tion, and enclosures (for pasture). 1351. Statute of Labourers. 1381. Peasants' Revolt.
1400	Encouragement to English shipping.	1450. Complaints at Coventry <i>re</i> enclosures.
	1492. America discovered by Columbus.	Hen. VII. Convertible husbandry.
1500		1517. Inquisition into enclosures.
		1523. Fitzherbert's <i>Treatises</i> .
	1561—82. Immigration of Dutch, Flemish and French artisans. Eliz. Introduction of 'new' drapery.	1574. Commission on villeinage.

Towns, Labour and Capital (Chs. IV., IX.)	National Economic Life (Chs. V., VI.)	Money, Credit, and Finance (Ch. VII.)
597. Introduction of Christianity.	c. 790. Commercial treaty between Offa and Charles the Great.	
901—925 Edward the Elder fortifies Mercia.	918. Lewisham granted to Benedic- tine monastery at Ghent.	
1086. Domesday Survey taken. 1095. First Crusade.		
Hen. I. Rise of Weavers' guilds. Hen. II. Assize of Bread. 1190. Leicester Charter. 1197. Assize of Measures.	Hen. I., Hen. II. Organisation of Exchequer. Hen. II. Connexion w. Gascony. " Assize of Bread. 1197. " Assize of Measures. Hen. III. Heavy papal taxation. Edw. I. Mint Regulations. 1277—83. Welsh Wars. 1283. Statute of Acton Burnell. 1285. Statute of Winchester. 1290. Expulsion of Jews. 1295. Model Parliament. 1296— Wars against Scotland.	1125. Punishment of dis- honest moneyers. Hen. II. Re-organisation of Mint. 1181. Assize of Arms.
Rise of Guilds Merchant. 1205. Coventry Bakers' Guild. 1254. Riot at Reading. c. 1266. Assize of Bread. Edw. I. Migration from North- ampton. 1270. Last Crusade. 1272. Riot at Norwich. 1295. Model Parliament. 1321. Submission of London Weavers. 1327. Disturbance at Reading.	Edw. III. Mint Regulations. 1328. Complaints about adulterage. 1313—90. Organisation of Staple. 1331, 1336. Immigration of Flemings. 1339—1453. Hundred Years War. 1351. Statute of Labourers. 1353. Statute of Staple. 1360. Treaty of Breteuil. 1376. Good Parliament. Ric. II. Attempts to restrict to one calling.	1275. Antiqua Custuma. 1292. Statute <i>de Moneta</i> . 1297. Confirmation of Char- ters. 1299. Statute <i>de falsa Mo- neta</i> .
1345. Grocers' Company. 1348—50. Black Death. 1381. Peasants' Revolt. Edw. III. Craft Guilds. " Drapers appear as dealers. " Rise of Livery Companies.	1381. Encouragement to ship- building. 1381. Export of bullion prohibited. 1403. Treaty with Castile. Hen. V., VI., VII. Encourage- ment of ship building. 1429. 'Rovers of Sea.' 1465. Regulation of Cloth trade. 1474. Treaty with Hansards. 1480. Search for Brazil. 1485. Consul at Pisa. 1490. Treaty with Iceland. Treaty with Florence. 1492. Discovery of America by Co- lumbus. 1496. 'Magnum Intercursus.' Rise of Merchant adventurers.	1334. Financial agreement fixing tenths and fifteenths. 1335. Export of bullion without licence for- bidden. 1347, 1348. Rise in prices. 1351. Issue of lighter coins. 1377, 1381. Poll taxes.
Rural migration checked.	Hen. VIII., Edw. VI. Restrictions on possession of sheep.	1412, 1464. Debasement of coinage.
1455—85. Wars of Roses. 1465. Cloth trade regulated on capitalistic lines. Struggles between jour- neymen and weavers. Remissions of taxation.	1513. Arsenal at Deptford. 1514. Incorporation of Brethren of Trinity House. 1517. Inquisition into enclosures. 1548. Combination Law. 1555. Surveyors of highways. 1558. Migration from towns checked. 1562. Alm-giving made compulsory. 1563. Statute of Artificers. 1563. Act for encouragement of navy Walloon at Norwich. 1565. Dutch Baymakers at Col- chester. 1581. Turkey Company incorporated.	1472. Subsidy.
1517. 'Evil May Day.' 1519. Jurisdiction of Mayor as- serted at York. Hen. VIII. Growth of new towns. 1552. Gig mills condemned. 1555. Weavers' Act.		Hen. VIII. Debasement of coinage.
1563. Statute of Apprentices.		1514. General subsidy. American mines.
1589. Lee's knitting frame.		1551. Further debasement. 1561. Coinage purified.

	Immigrants to Britain. Physical Conditions (Chs. I., II.)	Manors. Agriculture (Chs. III., VIII.)
1600	Newfoundland fishery.	Advance in theory. Markham, Weston, Plat, etc. write <i>Treatises</i> . Cultivation of root crops.
	1634, 1649— Draining of Fens. 1651, 1660. Navigation Acts.	1649— Vermuden drains fens.
	1685. Immigration of French refugees.	1689. Corn Bounty Act.
1700		Improvements in practice, e.g. rotation of crops, cultivation of grasses
	1709. Immigration from Palatinate. 1713. Treaty of Utrecht, Assiento contract.	1710— Enclosures (for tillage)
	1741. General Highway Act. 1760. Manchester and Worsley canal. 1760. Roebuck's blast furnace.	1759. Duke of Bridgewater employs Brindley.
	Water power and machinery.	1773—93. Exportation of corn ceases. 1773. Corn Law. 1776. Declaration of Independence.
1800		1793—1815. Revolutionary and Napoleonic Wars. Decline of yeomanry. 1795. Allowances to labourers. Decline of domestic spinning. Fluctuation of prices.
	1815. Macadam appointed Surveyor.	1812. 'Swing' riots. 1815. Corn Law. 1815—46. Depression of Agriculture. 1832. Reform Bill. 1834. Thorough drainage advocated. 1846. Repeal of Corn Laws. 1846—74. Agricultural revival.

Towns, Labour and Capital (Chs. IV., IX.)	National Economic Life (Chs. V., VI.)	Money, Credit, and Finance (Ch. VII.)
<p>Town purchases of coal.</p>	<p>1600. East India Company. 1601. Poor Law. 1601. Saltpetre patent retained. 1612. E. I. Co. charter renewed. 1641. Sheffield Cutlers incorporated. 1642. Patents and monopolies limited. 1631. Baltimore destroyed by pirates. 1634. Ship money writs. c. 1634. Linen manufacture in Ulster. 1651, 1660. Navigation Acts. 1662. Parochial settlements. 1665. Aulnagers for Ireland. Ch. II. Negotiations with pirates. 1665-97. Western clothiers in Ireland. 1666. Export of Irish cattle prohibited. 1670. Kidderminster Carpet Weavers. 1684. Sandys v. E. I. Company. 1689. Bill of Rights. 1689. Corn Bounty Act. 1694. Bank of England founded. 1697. Duties on Irish cloth. 1698. Eddystone lighthouse. 1698-1708. Struggle between London and General E. I. Co.</p>	<p>1634-39. Ship money. Commonwealth. Monthly assessments. 1660. Excise. 1660. Commutation for Feudal dues. 1666. Coinage of guineas. 1670. Closing of Exchequer. 1694. Bank of England founded. 1695. Bank of Scotland founded. 1696. Recoinage (Newton).</p>
<p>Abuses among Framework Knitters.</p> <p>1733. Kay's flying shuttle. 1748. Paul's wool-carding machine. 1760. Flying shuttle in the cotton trade. 1767. Hargreaves' spinning jenny. 1767. Arkwright's spinning roller. 1779. Crompton's mule. 1785. Cartwright's power loom. 1785. Boulton and Watt's steam engine at Fawcett. 1790. Cartwright's wool-combing machine. Kelly utilises water power. 1793-1815. Revolutionary and Napoleonic Wars. 1799, 1800. Combination Laws. 1802, 1819, 1833, 1847. Factory Acts. 1803. Johnson's dressing machine. 1812, 1816. Luddite riots. 1816. Eastern Counties bread riots. 1825. Bradford Wool combers' strike. 1841. Regulation of Child labour in mines. c. 1840. Power weaving supersedes hand work. 1846. Incorporation of Manchester. 1849. Cholera. 1856. Canonsgate, Broughton, Portoboro absorbed in Edinburgh.</p>	<p>England v. France in India and America. 1703. Methuen Treaty. 1704. Importation of naval stores favoured. 1707. Act of Union with Scotland. 1709. Re-issue of Assize of Bread. 1721-42. Walpole's ministry. 1723. General Workhouse Act. 1728, 1756. Wages assessed in Shropshire. 1732. Export of American hats forbidden. 1741. General Highway Act. 1763. Conquest of French Canada. 1776. Declaration of Independence. 1780. Irish commercial disabilities removed. 1782. Gilbert's Act. 1793-1815. Revolutionary and Napoleonic Wars. 1795. 'Surrenderland' decision. 1795. 'Minimum' wage proposed. 1796. Allowances further legalised. 1799, 1800. Combination Laws. 1800, 1808. 'Minimum' wage proposed. 1802, 1816, 1833, 1847. Factory Acts. 1809. Restrictions on Cloth trade removed. 1813. Trade with India opened. Stat. of 1563 re wages repealed. 1811. " apprentices ", 1815. Corn Law. 1818. Piracy in Mediterranean ceases. 1824. Emigration permitted. 1824, 1825. Repeal of Combination Laws. 1846. Repeal of Corn Laws. 1849. Repeal of Navigation Laws.</p>	<p>1720. Failure of South Sea Scheme. 1721-42. Walpole. Reform of tariffs. 1776. A. Smith's <i>Wealth of Nations</i>. 1783-1806. Pitt. Simplification of Taxation. 1797. Triple Assessment. 1797. Suspension of cash payments. 1816. Demonetisation of silver. 1819. Resumption of cash payments. 1824-28. Huskisson's revision of tariffs. 1842-46. Peel's financial reforms. 1844. Bank Charter Act.</p>

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IN reading generally upon the subject some confusion may arise from the divergent and sometimes conflicting views which are expressed by different writers. It should be the aim of the student, in all cases of apparently conflicting opinion, to follow out the matter so as to be able either to reconcile difficulties, or to form a judgment as to the reasons for differences. As a guide in this direction, a few notes have been added in regard to some of the books recommended below.

As already stated in the Preface, those who desire to study any part of the subject in greater detail are recommended to consult the corresponding portion of Dr Cunningham's *Growth of English Industry and Commerce* (Early and Middle Ages, 4th edit. 1905, and Modern Times, 4th edit. 1907). They will there find accurate references to a much larger number of authorities than can be included in this list.

Professor A. J. Ashley in his *Economic History* (vol. I. 1888) covers the ground from the Norman Conquest to the sixteenth century; he lays great stress on the arguments drawn from the analogy of Continental life.

Professor Thorold Rogers has treated agriculture, commerce and industry from the thirteenth century onwards in great detail, in his *History of Agriculture and Prices in England* (7 vols. 1866—1902), *Six Centuries of Work and Wages* (1886), *Economic Interpretation of History* (1891), *Industrial and Commercial Supremacy of England* (1892). He has for the most part fixed his attention on the records of prices, and has made little use of the help which may be obtained from other sources of evidence

in interpreting them. Mr H. de B. Gibbins in his *Industrial England* (1896) has summarised Prof. Thorold Rogers' conclusions in a concise form.

Many useful articles will be found in *Social England*, edited by Mr H. D. Traill, in the *Dictionary of Political Economy*, edited by Mr R. H. Inglis Palgrave, and in the *Cambridge Modern History*.

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INDEX.

- Aberdeenshire, 167
 Accounts, manorial 37
 Acton Burnell, Statute of 110
 Advantages, physical 243
 Adventurers, 118
 Affiliation, 57
 Africa, 167
 African Company, 119
 Agricultural employment, 92
 " Revolution, 185, 193
 Agriculture, 1, 25, 83, 87, 185, 207,
 241, 249
 " committees on 194
 " competition in 195
 " extensive 166
 " improvements in 168,
 185, 186, 195
 " intensive 167.
 See Cultivation, Hus-
 bandry, Labourers,
 Tillage
 Aids, 154
 Aldermen 61
 Ale, 33
 Ale-houses, 98
 Algiers, 111
 Alien merchants, 53, 64, 142
 Alien workmen, 56, 98, 99, 100.
 See Artisans
 Allotments, 187, 188, 189, 196
 Allowances, 86, 87, 94, 188, 222
 Alva, Duke of 14
 America, 102, 114, 124, 139. *See*
 Colonies
 Angles, 47
 Apprentices, 64, 65, 83, 203, 206,
 215, 216, 251
 Apprenticeship, 59, 61, 103, 104,
 201, 216
 Archangel, 114
 Arkwright, Sir R. 220
 Armada, Spanish 156
 Arsenal, at Deptford, 125
 Artisans, 87, 202, 203, 234, 247,
 248
 " and Combination law,
 214
 " Burgundian 12
 " dexterity of 15
 " Norman 12
 " skilled 103
 Ashley, Professor 203
 Assize, of Bread 56, 96
 " of Measures 57
 Associations, 214. *See* Combi-
 nations
 Astriction, 101
 Athens, 89
 Aulnager, 96, 97
 Authorities, local 109
 " municipal 104. *See*
 Government
 Bacon, Francis 84
 Bailiff, 37, 38, 177, 181
 " farming 41, 42, 43, 175
 Bakewell, Mr 186
 Balance of trade, 129, 130, 148
 Barks, 170, 186
 Baltic, 48
 Baltimore, 111
 Bank notes, 148
 " " depreciation of 149
 Bank of Ayr, 149

- Bank of England, 130, 148, 149,
150, 151, 152,
161, 162
" " Charter Act 152
" " rate 151
Banking, 16
Banks, Hamburgh 152
" Scotch 149
Barbon, Dr 129
Bargaining, 141, 165
Barley, 173, 174, 178
Barter, 140, 141, 165
Battle of Hastings, 13
Baymakers, Dutch 99
Bedford, Duke of 186
Becherd, 248
Berkshire, 86
Bill of Rights, 116
Bimetallists, 148
Black Death, 40, 41, 42, 60, 65, 82,
90, 175, 177
Blast furnace, 18
Bocking, 103
Bombay, 243
Boots, 245
Borley, Extent of 39
Borneo Company, 119
Boulton, M. 223
Bounties, 162, 164
" on herrings 125
" on raw produce 132
Bradford, 213, 218, 224
Braintree, 103
Brazil, 114
Bread, 33, 244. *See* Assize
Bricklayers of Hull, 61
Bridges, 21, 156
Bright, J. 88
Bristol, 58
Britain, as granary 19
" disintegration of society in
9
" English Conquest of 8-10
" Roman 9, 10, 47
Britons, 8
Broadcloth, 136
Broughton, 50
Bruges, 57
Bullion, 100, 126, 127, 147, 149
Bullion Committee, 150
Bullionists, 127, 128
Burgundy, 130
Burleigh, Lord, 98, 122
Bury, 48, 54
Butter, 20
By-employments, 86, 223, 232
Calais, 145
Cambridge, 43, 48, 49
Canada, French 135
Canals, 19, 21, 22, 139, 184
Canongate, 50
Canterbury, 48
Canynges, W. 125
Cape of Good Hope, 114
Capital, 5, 132, 151, 168, 169, 202,
207, 208, 209, 213, 219,
235, 236, 237, 239, 240
" interest of 210, 211, 212,
239, 240
" profits of 236
Capitalist farming, 175, 180, 181
Capitalists, 197, 207, 210, 211, 212,
214, 235, 237, 238
" in cloth trade 203
Carders, 204
Carding machines, 222
Carlisle, 99
Carpet-weavers, 99
Carriage, 176, 243
Carrying trade, 25
Carthaginian traders, 18
Cartwright, Dr 224
Cash payments, 150, 152
Castle Acre, 93
Cattle, 20, 38, 39, 177, 178, 179
" Irish 138, 180
Cavel, 55
Chapman, 30
Charles I, 98, 111, 137, 145, 156,
157, 158, 159, 161
Charles II, 101, 111, 138, 147, 161,
184
Charles V, 127
Charters, 10, 51, 52, 54, 62
Cheese, 20, 244
Chester, 49
Chesterfield, 55
Children, and poor law authorities,
215, 217

- Children, as chimney-sweeps 215
 ,, in factories 107, 214, 215,
 216, 217, 218, 221, 223
 ,, in mines 219
 Chimney-sweeping, 215
 China, 117, 118
 Cholera, 221
 Christchurch, Canterbury, 37
 Christianity, introduction of 47
 Christians, British 9
 Christmas, 39
 Churchwardens, 92
 Cistercians, 20
 Civil War, 136, 146, 156, 158,
 184
 Civilisation, English 9, 15, 36
 ,, Roman 8, 9, 11, 36
 Claret, 130, 131
 Class distinctions, 201
 Clerks, 229
 Closes, 178
 Cloth, 64, 96, 123, 136, 203, 204,
 220, 231, 245
 ,, dressing of 23
 ,, export of 26
 ,, Irish 97, 136
 Clothes, 245
 Clothiers, 137, 204, 205, 206, 207,
 208
 Cloth trade, 20, 23, 26, 83, 91,
 97, 100, 103, 205, 220, 222, 226,
 230
 Clothing, 227, 233, 247
 Clover, 174, 185
 Coachmen, 226
 Coal, 18, 19, 26, 55
 ,, export of 190
 ,, facilities for working 22
 ,, smelting with 18
 Coal fields, 23, 243
 Coasts, 113, 156
 Cobden, R. 88
 Coinage, 142, 143, 145, 147
 Coins, 127, 144
 Colchester, 14, 50, 99
 Colonial products, 245
 Colonies, 25, 133, 139
 ,, American 94, 122, 123,
 126, 139
 ,, restrictions on 242
 Colonies, West Indian 122
 Colonisation, 102
 Colonists, 133
 Combinations, 65, 104, 106
 Combination Laws, (1548) 105
 ,, ,, (1800) 105,
 106, 214
 Commerce, 241
 ,, inter-municipal 50, 109
 ,, maritime 25
 ,, with New World 25
 Commission, on Factories 216
 ,, on Hand-loom wea-
 vers 224, 226
 Committee, on Bullion 150
 ,, on Factories 216, 217
 Commodities, foreign 244, 245
 Common rights, 39, 171, 187
 Common waste, 38, 39, 92, 170,
 171, 178, 179,
 186
 ,, ,, evictions from 44
 Commoners, and enclosures 187
 ,, and fens 183
 Commonwealth, 111, 122
 Communication, 195, 244, 246
 ,, commercial 232
 ,, internal 10, 24,
 95
 ,, with Rome 10
 Companies, chartered 62
 ,, incorporated 98, 99
 ,, joint-stock and regu-
 lated 115, 116. *See*
 African, &c.
 Competition, 141, 165, 213, 215,
 217, 219, 236, 240, 241, 243
 Conditions, insanitary 247
 Conquest, English 8, 9, 47
 ,, Norman 12, 142, 175,
 202, 248
 Constantinople, 25
 Consuls, 112
 Cookson, Mr 83
 Co-operative Societies, 234
 Copyhold tenures, 44
 Cordwainers, 64
 ,, of Exeter 61
 Corn, 84, 85, 86, 87, 96, 146, 176,
 178, 180, 249

- Corn, export of 25, 138, 190
 ,, grinding of 51
 ,, price of 145, 190, 191
 ,, mills 23
 ,, rent 193, 194
 Corn Laws, (1689), 85, 138, 185,
 189, 194
 ,, (1773), 190
 ,, (1815) 87, 88, 89, 194,
 195
 ,, Repeal of 88, 164
 Cornwall, 18
 Cottages, 93, 190, 221, 223
 Cottagers, 188, 197
 Cotton cloth, 221, 224
 ,, mills, 215, 216, 217
 ,, trade, 216, 224, 226, 228
 ,, weaving, 220
 Court Rolls, 37
 Courts, manorial 44, 96. *See* Manor
 Coventry, 15, 44, 56, 58, 64, 65
 Cows, 178, 187
 Cow's grass, 188
 Craft-gilds, 16, 60, 62, 63, 64, 105,
 250
 Craftsmen, 62, 63, 64, 202
 Credit, 148, 151, 152, 160
 Crete, 112
 Crofters, 180
 Crompton, S. 220
 Cromwell, O. 116
 ,, T. 122
 Croppers, 230
 Crops, new 185
 ,, rotation of 169, 174, 185,
 186, 192
 Crown, 102, 104, 109, 116, 137,
 138, 142, 153, 156, 157, 159, 165
 Crown lands, 157
 Crusades, 12, 46, 47, 51
 Cultivation, extensive 166, 167, 170,
 172, 196
 ,, intensive 167, 169, 170,
 172
 Currency, 127
 Customs, 153
 ,, on cloth 136
 Customs, local 34
 ,, mercantile 52
 Cutlers, Sheffield 99, 231
 Cutlery, 16
 Danes, 10, 11, 48, 167
 ,, forts of 48
 ,, struggle with 47
 Danegeld, 32, 33, 34
 Danelagh, 11
 Darien Company, 237
 Darien scheme, 123
 Debts, 52, 110
 Declaration of Independence, 139,
 190
 Deer forests, 180
 Defoe, D. 103
 Demand, 211, 228, 230
 Domesne, 38, 170
 Depopulation, 44, 82, 84, 177, 184
 Depression, industrial 212, 213, 231
 Derby, 58
 Derbyshire, 23, 221
 Devonshire, 222
 Diminishing returns, law of 168,
 169
Discourse of Common Weal, 144,
 241
 Distress, agricultural 195
 ,, among Framework Knit-
 ters 206. *See* Depres-
 sion
 Ditching, 179
 Division of labour, 4, 198, 199,
 200, 201, 202, 207, 232, 235
 Dockyards, 125, 238
Domesday Book, 12, 32, 34, 35,
 36, 50
 Domesday Survey, 49, 50, 174
 Domestic weaving, 205
 Drainage, 19, 195
 ,, of fens 19, 183
 Drapers, 204, 208
 Drapery, 16
 Drivers, 229
 Dublin, 55, 136, 138
 Dutch, 159, 184
 ,, carrying trade of 122
 ,, engineers 16
 ,, imitation of 16
 Duties, 162, 164
 Duty, personal 251
 Dyers, 204

- Earthenware, 16
 East, commercial empire in 25
 " communication with 114
 East India Company, 114, 116, 117,
 119, 127,
 128, 151,
 162, 237
 " " " Dutch 117
 " " " servants of 210
 Easter, 39
 Eastern Counties, 23, 204
 Economic policy, 5
 " relations 251
 Economists, doctrinaire 214, 239
 Economy, money 5, 140, 141, 154,
 157, 160, 165, 176,
 208, 209
 " natural 4, 140, 141, 165
 Edict of Nantes, Revocation of 15
 Edinburgh, 50
 " town mills 55
 Edward I, 13, 110, 142, 154
 Edward II, 154
 Edward III, 39, 90, 91, 97, 110,
 121, 141, 145, 161, 244, 245
 Edward IV, 97, 112
 Edward VI, 84, 105, 114, 122,
 127, 143, 144, 179, 180, 206
 Edward the Confessor, 12
 Edward the Elder, 48
 Efficiency, 227, 228, 239, 243
 Eggs, 203, 244
 Elizabeth, 84, 90, 98, 104, 122,
 144, 145, 146, 157, 179, 206,
 237, 247
 Emigration, 102
 Employers, 211. *See* Division of
 Labour
 " functions of 237, 238
 Employment, 232, 245, 247
 " field for 229, 239
 " of children 217, 218.
 See Children
 " opportunities for 230
 " remunerative 242,
 249
 Enclosure Acts, 187
 Enclosures, 178, 179, 180, 186,
 188, 192, 232
 Engineering trades, 243
 English Conquest. *See* Conquest
 Enterprise, 114
 Essex, 103, 184
 Estate management, 37, 41
 Estates, royal 153
 Exchange, 140
 Exchequer, 32, 52, 59, 153, 161
 Excise, 98, 134, 158
 " hereditary 159, 160
 " on beer 159
 Exeter, cordwainers of 61
 " merchant adventurers of
 113
 " St Olaf's 48
 " Tailors of 60
 Exportation, of cattle 138
 Exports, 128, 151, 153
Extent, 37
 Factories, 83, 205, 215, 219, 223,
 225
 " and character 233
 Factories (settlements), 253
 Factory Acts, 107, 216, 218, 234
 " inspectors 218
 " system 233
 " towns 221, 223, 228
 Fairs, 22, 30, 47, 55, 64, 203
 " St Ives 22
 " Stourbridge 22, 57
 Fallow, 173, 174, 178
 Famines, 247
 Farmers, 87
 " capitalist 191
 " small 176, 191, 193
 " tenant 191
 " yeoman 185, 187, 189,
 190, 191, 250
 Farming. *See* Capitalist, Bailiff,
 and Sheep-farming
 Farms, arable 184
 " large 196
 " small 189
 Fens, 16, 183
 " draining of 19
 Fern, 52
 Feudal dues, 159
 Fields, common 170, 191
 " open 170, 171, 172
 " permanent 170, 178

- Finance, Dutch 159
 Financial policy, of Huskisson 164
 " " North 163
 " " Peel 164
 " " Pitt 163
 " " Walpole 162,
 163, 164
 Fish, 21
 Fisheries, 21, 124, 125, 132
 " Dutch 125
 " herring 21
 Fitzherbert, Sir A. 175, 182
 Flanders, 143, 147, 182
 Flax, 15, 126, 217
 Flemings, immigration of 12, 14,
 97
 Fluctuation, 249
 Flying shuttle, 220, 230
 Food, dearth of 188, 190
 " rents, 31
 " supply, 82, 118, 121, 138,
 177, 184, 247, 249
 Foreigners, 57
 Forest of Dean, 9, 18
 Forests, 19
 Frame rents, 206
 Framework Knitters, 206, 213
 France, 116, 124, 129, 130, 163
 Francigenæ, 50
 Freedom, economic 101, 108
 " of association 54, 101,
 104, 108
 " of employment 101, 103,
 104
 " of movement 101, 102
 Freeholders, small 191, 192
 Free trade, 165, 243, 244, 245, 246
 Friendly Societies, 234
 Frieze, 136
 Fruit, 244
 Fuel, 19, 26, 126, 135, 184, 243
 Fuller, 204
 Fulling mills, 206
 Furniture, 31
 Galway, 123
 Gardens, 196
 Genoese, 125
 George III, 186, 248
 Georgia, 253
 Germany, 136
 Gig-mills, 206
 Gilbert's Act, 94
 Gild merchant, 54, 60, 62, 63
 " " at Preston 62
 " " at Shrewsbury 63
 " " privileges of 55, 56
 Gilds, 105
 " Bakers' 56
 " of journeymen 65
 Glastonbury, 14
 Gloucestershire, 23, 91
 Gold, 127, 128, 129, 142, 147, 149
 Gold lace, 98
 Goldsmiths, 146, 149, 161
 Gott, Mr 222
 Government, local 46
 " municipal 13, 16
 Granaries, 55
 Granborough, 40
 Grasses, 185, 192
 Graziers, 138
 Grazing, 20, 178, 180, 192
 " rights 187, 231
 Grocers, 63, 113
 Gross, Dr 54, 62
 Grosseteste, Bp. 30
 Guards, 229
 Guineas, 147
 Gunpowder, 98
 Hadrian's wall, 18
 Hales, J. 241
 Halifax, 204
 Handloom weavers, 224, 225, 226
 Hand-work, 226
 Hansards, 53, 111
 Hanse. *See* Gild merchant
 Harbours, 25, 113
 Hardware, 23, 243
 Hargreaves, J. 220
 Harvest, 39
 Hatfield Chase, 183
 Hats, 135
 Hayward, 38
 Hedging, 179
 Hemp, 126
 Henry I, 142, 153
 Henry II, 105, 142
 Henry III, 154, 175

- Henry IV, 65, 83
 Henry V, 111, 125
 Henry VI, 83, 105, 111
 Henry VII, 112
 Henry VIII, 84, 125, 143, 156, 175
 Hereford, 58
 Hereward, 202
 Herring trade, 125
 Hibbert, F. 63
 Hides, 20
 Highway Act (1741), 22, 95
 Holkham, 186
 Holland, 22, 116, 184
 Horses, 228
 Horse breeders, 228
 Hours of labour, 61, 217, 218
 Housing of factory workers, 222
 Hull, 99, 113
 ,, Bricklayers of 61
 ,, Merchant Adventurers of 113
 Husbandry, 182
 ,, convertible 178, 179, 186
 ,, in Brabant 182
 Husting Court, 48
 Iceland, 48
 Immigrants, 13, 17
 ,, English 13
 ,, Danish 13
 ,, French 15
 ,, Flemish 12, 14, 97
 ,, Normans 12
 ,, from Palatinate 15
 ,, Italian 14
 Imports, 87, 128, 151, 153, 245
 ,, cheap 244
 Income-tax, 164
 India, 124, 129, 166, 210, 248, 249
 Industrial Revolution, 5, 207, 219, 226, 231, 232, 233, 235
 Industries, cottage 232
 Industry, 241
 ,, capitalist 207
 Insular position, 24
 Insurance, 16
 Intercourse, commercial 5, 241, 244, 246, 247, 250, 251, 253
 Intercourse, free 131
 Interest, 151, 162
 Interlopers, 116
 In-town lands, 167
 Ipswich, 49, 54
 Ireland, 48, 58, 102, 123, 126, 135, 137, 139, 180
 ,, agriculture in 138
 ,, commercial freedom 139
 ,, trade of 123
 Iron, 18, 19, 135
 ,, trade 126
 Iron-smelting, 18, 23
 Italians, 14
 James I, 84, 98, 105, 111, 116, 127, 155, 180, 205
 James II, 137
 Jews, 53, 154
 John, King 56
 Joint-stock Companies, 119, 120
 Journeymen, 64, 65, 203, 206
 Justices of Peace, 44, 86, 90, 91, 94, 95, 101
 Kelly, Mr 221
 Kensington, 86
 Kent, 14, 43
 Kidderminster, 99
 King's Peace, 110
 Knitting, 206
 Labour, 239
 ,, demand for 228
 ,, division of 5, 198, 199
 ,, of children 107
 ,, scarcity of 175
 ,, in mines 107
 ,, interests of 210, 211, 212, 240
 ,, skilled 220, 230
 ,, struggles 234
 Labourers, 87, 101, 187, 188, 189, 208, 209, 210, 211, 212, 214, 226, 228, 229, 232, 234, 238, 239, 245
 ,, agricultural 199, 231, 232, 234
 ,, free 41

- Labourers, intellectual progress of 235
 " interest of 239
 " skilled 61, 65
 " Statutes of 41, 90, 101
 " unskilled 61, 65
 Lace work, 206
 Laissez faire, 91, 107, 213, 214, 215
 Lanark, 221
 Lancashire, 91
 Lancastrians, 101
 Land. *See* Agriculture
 Land-tax, 136
 Landlords, 87, 93
 Lawmen, 48
 Lead, 18, 20
 Leasehold farming, 41, 43
 " tenure 181
 Leather, 20, 64
 Lee, W. 206
 Leeds, 204, 224, 231
 Legislation, philanthropic 106, 107
 Leicester, 48, 51
 Lent, 125
 Levant, 113
 Life, municipal 24, 28
 " national 28, 29
 Lighthouses, 113
 Lincoln, 48, 58
 Linen, 123
 Linen trade, 16, 132, 137, 217
 " Irish 136, 137
 " weavers, 15
 Littleport, 43
 Livery Companies, 63, 64
 Loans, 150, 151, 161
 London, 18, 25, 27, 48, 50, 54, 58, 63, 64, 65, 99, 103, 129, 184, 206
 " custom of 58
 London and North-Western Railway, 236
 Long Parliament, 153
 Looms, 206, 220, 226
 Louis XIV, 136, 161
 Love-brothers, 63
 Low Countries, 20, 112, 137, 147, 183
 Lucca, 20
 Macadam, J. L. 22
 Macclesfield, 15
 Machines, 226, 235
 " destruction of 222
 Machinery, 18, 23, 212, 214, 218, 224, 225, 226, 230
 " fencing of 218
 " introduction of 213, 219, 222, 227, 228, 229, 230, 243
 McKinley Bill, 246
 Magna Carta, 154
 Mala tolta, 154
 Management, wages of 238
 Manchester, 46, 51, 221
 Manor, 4, 29, 30, 33, 34, 35, 41, 44, 46, 47, 103, 176
 " accounts of 43, 176
 " courts of 33
 " custom of 34
 " decay of 44
 " fiscal aspect of 32
 " jurisdiction of 33, 44
 " lord of 104, 170
 " records of 37
 " thirteenth century 36
 Manufacture, 28
 " development of 242
 Manures, 167, 178, 195
 Markets, distant 204
 " for English goods 88
 Markham, G. 182
 Marseilles, 25
 Mary Tudor, 205
 Matlock, 224
 Mayor, 52, 61, 63
 Meadow, 38, 39, 178
 " rights 187
 Meat, 244
 Mediterranean trade, 111
 Mercantilists, 121, 127, 128, 162
 Mercers, 112
 Merchant Adventures, 112, 113, 116
 Merchant law, 57
 Merchant Taylors, 64
 Merchants, 20, 63, 204
 " alien, 64, 142
 Mercia, Lady of 48
 Merton, Statute of 39

- Michaelmas, 38, 39
 Middle Ages, 101, 105, 145, 148, 158
 Middleman, 203
 Migration, of artisans 242
 " of industry 23
 " of labour 232
 " of manufactures 193
 " restrictions on, 101, 103
 " to Continent 136
 " to Ireland 136, 137
 Milk, 193
 Mills, Bombay 243
 Mines, 219
 Mint, 142, 143
 Monasteries, 95
 " Benedictine 48
 " Columban 9
 Money, 5, 140, 141, 153, 157
 " lenders, 154. *See* Economy
 Moneyers, 142, 143
 Monopolies, 98
 Morocco, 111
 Municipalities, 12, 24

 Napoleon, 26, 124
 National Debt, 26, 161
 Nationalities, growth of 13
 Naval stores, 124, 126
 Navigation Acts, 121, 122, 123, 124, 136
 Navy, 118, 119, 157
 Newcastle, 58, 99
 Newfoundland, 21, 125
 Newspapers, 233
 New World, 12, 25, 144, 148
 Nobles, Rose 143
 Norfolk, 43, 93, 184
 Normans, 12
 North, Lord 163
 Northampton, 53
 Northmen, 10. *See* Danes
 Northumbria, 167
 Norway, 126
 Norwich, 14, 48, 49, 50, 54, 57, 99
 Nottingham, 54, 58, 206, 221

 Oats, 173
 Oldham, 243
 Open fields, 179, 186
 Opera vendita, 40
 Oranges, 233
 Orders, religious 12
 Oresme, N. 143
 Organisation, artisan 234
 " economic 248, 249, 250
 " industrial 243, 247, 249
 " manorial. *See* Manors
 " municipal 112
 " national 4, 95, 112
 " social 250
 Ormond, Duke of 138
 Out-town lands, 167
 Outdoor relief, 93, 94
 Overwork, 223
 Oxford, 65, 83

 Paper, manufacture of 16
 Paper money, 146, 148
 " " inconvertible 150
 Parish, 93, 95
 Parks, 179
 Parliament, 13, 59, 60, 87, 90, 92, 95, 99, 104, 109, 110, 117, 137, 138, 154, 155, 214, 248
 " and minimum wage 91
 " Irish 139
 Parochial relief, 189
 Pasture, 42, 44
 Pasture-farming, 5, 20, 42, 177, 180, 181, 182, 183, 184, 231.
 See Grazing
 Patents, 98, 99
 Pauperism, 252
 Payments in kind, 153, 165
 Peace, king's 24
 Peak, 9
 Peasants' Revolt, 42, 43, 60
 Pedlars, 47, 203
 Peel, Sir R. (elder) 215, 216
 Peel, Sir R. 164

276 *Outlines of English Industrial History.*

- Persia, 114
 Perth, 49
 Pestilences, 12, 247
 Philip II, 205
 Phœnicians, 18, 167
 Physical conditions, 17
 Pigs, 196
 Pilgrimage, 48
 Pilots, 113, 114
 Piracy, 110, 111, 118
 Pisa, 112
 Pitt, 150, 152, 163
 Plague. *See* Black-Death
 Plantation, 102
 Plat, Sir II. 182
 Pococke, R. 138
 Policy, bullionist 126, 127
 " colonial 126, 133
 " economic 120
 " of free trade 244
 " of plenty 244
 Poll tax, 156
 Poor, 93
 " relief of 91, 92, 93, 95, 101, 252
 Poor Law, 94, 103, 249
 " Board 94
 Poor-rates, 192
 Poplins, 16
 Population, 89, 221, 223, 228
 " artisan 246
 " degradation of 214
 " increase of 85, 247
 " rural 82, 83, 92, 246
 " skilled 242
 " town 246
 Port, 130, 131
 Porters, 229
 Portsborow, 50
 Portugal, 130
 Portuguese, 114
 Post Office, 159
 Poultry, 196
 Power loom, 224
 Power, national 89
 " royal 24
 Power spinning, 23
 Power weaving, 23, 224, 225
 Præpositus, 38, 40
 Pre-emption, 153, 159
 Preston, 62
 Prices, 141
 " competition 5
 " customary 5, 141, 208
 " fair 96
 " fall of 87, 193
 " fluctuation in 176, 190, 209
 " high 86, 88
 " lowering of 228
 " monopoly 210
 " rise of 144, 145, 211
 Printing works, 232
 Prise, 154
 Produce, raw 135
 Production, expense of 211
 Profit, 235, 237
 Prosperity, 131
 Protection, 100, 244, 245
 Purveyance, 159
 Railways, 119, 229, 238
 Ramparts, Roman 10
 Rates, 92, 93
 " increase of 87
 Reading, 48, 54
 Recoinage, 146. *See* Coinage
 Regulation, national 29, 87, 109
 Relief. *See* Outdoor relief, Poor
 Rents, competition 181
 " customary 141
 " money 40
 " rise of 184
 " service 40, 42
 Representation, 59
 Responsibility, collective 39, 42, 46
 " economic 251
 " personal 252
 Restoration, 123, 159, 180
 Revenue, 130, 157, 158, 159, 160, 162, 164, 202
 Revival of learning, 12
 Revolution (1688), 116, 146. *See* Agricultural, Industrial
 Rhodes, 24
 Ricardo, D. 177
 " and rent 193, 194
 Richard II, 64, 65, 83, 90, 104, 120, 121, 127

- Riots, Eastern Counties 222
 ,, Luddite 206, 230
 Rivers, 21, 22, 24, 49
 Roads, 21, 95, 156
 ,, Roman 10, 21, 24, 49
 Robinson, Ralph 186
 Rogers, Prof. T. 147
 Rome, 10, 12
 ,, Bp. of 9
 Roses, Wars of 60
 Ross, J. 179
 Rouen, 57
 Routes, 26
 Rovers of Sea, 111
 Rum, 123, 253
 Run-rig, 171
 Russia, 114
 ,, Company 114, 115, 116
 Rye, 173

 Saddlers, 64
 Salt, 158
 Sandys, 116
 Saxon, 47
 Scilly Isles, 18
 Scot and lot, 53
 Scotland, 58, 138, 180
 ,, Bank of 149
 ,, trade of 123
 ,, war of independence 58
 Scutage, 154
 Seaman'ship, 48, 121, 124
 Seal, 201
 Servants, 229
 Service personal, 153, 165, 181
 Settlements, Law of (1662), 92,
 101, 103
 Settlements, Greek 48
 ,, Phœnician 48
 Shaftesbury, Lord 216
 Shearing frames, 226
 Shearmen, 204, 230
 Sheep, 38, 82, 83, 177, 178, 179
 Sheep-farming, 20, 42, 44, 65, 82,
 83, 92, 175, 177,
 179, 180, 181
 ,, in Australia 26
 Sheep shearings, 186
 Sheep-walks, 42
 Sheffield, 46, 99, 231

 Shepherd, 179
 Sheriff, 32, 46, 51
 Ship-building, 124, 125, 126, 135
 Shipman, 63
 Ship-money, 111
 Shipping, 21, 109, 111, 113, 118,
 121, 122, 124, 125, 132, 134
 Ships, 20
 ,, Dutch 123
 Shops, 49
 Shrewsbury, 50
 Shropshire, 90
 Silk trade, 16, 129
 Silver, 127, 128, 129, 142, 143,
 144, 145, 147, 148
 ,, fall in value 144, 146, 157
 Skill, 199, 227, 228, 229, 242,
 243
 Slavery, 111
 Slave trade, 134
 Slaves, 9
 Slubbers, 223
 Slubbing engine, 222
 Smith, A. 4, 99, 100, 105, 119,
 131, 132, 139, 163, 198, 201
 Smith Mr. of Deanston 195
 Smyrna, 112
 Soap, 98
 Solar, 31
 Soldiers, 102
 South Sea Company, 151, 162
 Southwark, 48
 Sovereignty of sea, 143
 Spain, 25, 127
 Spices, 113
 Spindles, 224
 Spinners, 204, 218, 222, 227
 Spinning, 93, 94, 193, 217, 220,
 222, 223, 224, 226,
 228, 231, 242
 ,, decay of domestic 223
 Spinning-jenny, 188, 222
 Spinning, machine 86
 Spitalfields, 15
 St Alban's, 43, 51
 Stamford, 48
 Standard of comfort, 247
 Staple, 110
 State interference, 219
 ,, management 238

278 *Outlines of English Industrial History.*

- State socialism, 238
 Statute, of Artificers 83, 103.
 See Apprentices
 Statutes of Labourers, 105, 145
 " Employment, 127
 Steam-engine, 223
 Steam power, 18, 23, 221, 223,
 224, 225
 Steward, 38, 40
 Stewart, Sir J. 132
 Stirling, 49
 Stock, 192
 " breeding of 186
 Stock and land lease, 41
 Stock in trade, 202
 Stock, parish 92
 Store-keepers, 63
 Strafford, 136, 137, 158
 Stump of Malmesbury, 205
 Subsidy, 156, 158
 Subsistence farming, 176, 177,
 181, 191, 193, 196, 207, 232
 Surface men, 229
 Sweating, 211, 212
 Sweden, 126
 Swinherd, 248
 Swing riots, 188

 Tailors, 60, 203
 Tallages, 154
 Tamworth, 48
 Tanners, 64
 " Company 98
 Tar, 126
 Tariffs, hostile 165, 242, 245, 246
 " revision of 132
 Taverner, J. 125
 Taxation, 32, 53, 130, 154, 155,
 156, 159, 160, 162,
 192
 " distribution of 158, 160,
 165
 " of land 160
 Taxes, 46, 51, 141, 153, 154, 161
 Taylor, S. 182
 Tea, 117, 232
 Teams, 173, 174
 Telford, 22
 Tensers, 53

 Tenths and fifteenths, 155, 156,
 158
 Three-field system, 172, 173, 174,
 196
 Tillage, 4, 20, 175, 178, 180, 183,
 185, 187, 192, 193, 195,
 207
 " improvement in 186
 " promotion of 82, 83, 84
 Tin, 18
 Tithe, 192
 Tobacco, 123, 134, 233
 Tolls, 95, 154
 Top boots, 230
 Towns, 4, 13, 29, 30, 46, 47, 99,
 110, 232, 233, 234, 250
 " burdens of 53
 " connexion between 22
 " customs of 57, 58, 59
 " Danish 16
 " decay of 47, 53
 " English 11
 " foreigners in 14
 " government of 54
 " progress of 48
 " Roman 10, 47
 " Scotch 58
 " taxation of 52, 53
 Trade, 209
 " collective 55
 " colonial 122, 123
 " expansion of 229, 230
 " foreign 110
 " municipal 52
 " opportunity for 47
 Trade-marks, 97
 Trade Unions, 106, 108, 109, 234
 Trading Companies, 119. *See*
 African &c.
 Treasure, 89, 100, 121, 126, 127,
 130
 Treaties, commercial 111, 112
 Trinoda necessitas, 95
 Trinity House, Deptford, 113
 Triple Assessment, 164
 Truck, 205
 Tudors, 100
 Turkey Company, 113, 115, 116
 Turnips, 185
 Tusser, T. 182

- Two-field system, 172, 173, 174
 Tyre, 24, 26
- Union, Act of (1707), 123
 „ with Ireland 139
 „ with Scotland 137
- Upland men, 53
 Utensils, 233
- Vagrants, 92, 102
 Venice, 24, 26
 Vermuiden, C. 183
 Verona, 199
 Victual Brothers, 111
 Villa, Roman 9, 36
 Villeinage, 43, 45
 Villeins, 33, 34, 37, 38, 39, 40, 41,
 42, 43
 „ holding of 38
 Virgate, 38, 42, 170, 171. *See*
 Yardland
 Virginia, 134
- Wages, 89, 101, 105, 141, 184, 197,
 208, 210, 211, 212, 213,
 221, 222, 223, 225, 226,
 231, 232, 233, 239
 „ fund 239
 „ low 188
 „ maximum 90
 „ minimum 91
 „ regulation of 86, 90
 „ rise of 87
- Wakefield, E. G. 102
 Walloons, 99
 Walpole, 132, 162, 163, 164
Walter of Henley, 30, 37, 172,
 175, 176
 Warden, of gilds 61
 Warehouses, bonded 162
 War, 24
 Wars, Napoleonic 88, 189, 190,
 192, 210, 212
 „ of Roses 60
 Warwickshire, 44, 179
 Waste. *See* Common Waste
 Waterloo, 89
 Water power, 23, 221, 224, 225
- Water power, and steam 223
 Watt, J. 223
 Wealth, 131
 „ mineral 26
Wealth of Nations, 163, 198, 202
 Weavers, 56, 193, 204, 205, 213,
 220, 225, 226, 227,
 230, 231
 „ alien 56
 „ domestic 215
 „ gilds 56, 62
 „ linen 15, 64
 „ silk 15
 „ woollen 64, 65
 Weaving, 14, 56, 193, 225, 226,
 228, 242
 West Indies, 133, 134, 139
 West Riding, 222
 Weston, Sir R. 182
 Wheat, 173, 174, 178, 186, 192
 Whitfield, G. 253
 Whitsuntide, 39
 William III, 129, 136, 137, 147,
 161
 Wills, 10
 Winchcombe of Newbury, 205
 Winchester, 58
 „ statute of 110
 Wine, 154, 244, 245
 Wisby, 25
 Woburn, 186
 Wolsey, T. 122
 Women, in factories 217
 „ in mines 219
 Wood, 19, 126
 Wool, 20, 25, 44, 84, 135, 154,
 204, 220, 222, 223
 „ Australian 230
 „ demand for 175
 „ export of 20, 26, 190
 „ price of 136, 177, 180
 Woolfells, 20
 Woollen manufacture, 224
 „ trade, 225
 Wool combers, 213
 „ combing, 224, 230
 Worcester, 48
 Worcestershire, 221
 Workers, displacement of 93
 Workhouses, 93

280 *Outlines of English Industrial History.*

Workmen, 203, 249. *See* Artisans
Worsted trade, 224

Yardland, 38, 39, 170

Yarmouth, 21, 125

Yarn, 204, 221

Yeomanry, 87

Yeomen, 181, 185, 186. *See* Farmers

York, 49, 58

„ St Olaf's 48

Yorkists, 100

Yorkshire, 204, 205, 226, 230

Young, A. 185, 188, 189



